



**Wuliangye Yibin Co., Ltd.**  
**Annual Report 2020**

**President Zeng Congqin (Signature)**

**April 28, 2021**

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## Section I Important Notice and Interpretations

I. The board of directors, the board of supervisors, directors, and supervisors of the Company undertake that the content of the Annual Report is true, accurate, and complete, and contains no false record, misleading statements, or major omission, and assume joint and several legal liabilities arising therefrom.

II. Zeng Congqin, the person in charge of the Company, Luo Wei, the person in charge of the accounting work, and Luo Jun, the person in charge of the accounting institution (accountant in charge) declare and ensure: the truthfulness, accuracy, and integrity of the financial report in the Annual Report.

III. Seven directors should be present at the board meeting auditing the Report and actually six directors attended. Director Li Shuguang was not present at the meeting due to work reasons and voted on the resolution of this meeting by means of circulation; Director-designate Jiang Lin was present at the meeting.

IV. The future plan, development strategy, and other forward-looking statements included in the Report shall not constitute the Company's substantial commitment to the investors due to uncertainties, and we remind the investors to notice the investment risks.

V. The Company has disclosed the potential risks in the Report, and we remind the investors to notice the investment risks.

VI. The Company designated China Securities Journal, Shanghai Securities News, Securities Times, and CNINFO as the information-disclosure media of the Annual Report 2020 of the Company and all the information of the Company shall be subject to the information published on the above media.

VII. The profit distribution plan reviewed and adopted at the Board Meeting of the Company is that: Based on the total capital stock of 3,881,608,005, the Company will distribute the dividend of RMB 25.80 in cash (tax inclusive) and 0 bonus share (tax inclusive) to all shareholders for every 10 shares and will not transfer the capital reserve to increase capital stock.

## Interpretations

Terms	refers to	Interpretations
Company, the Company or Wuliangye	refers to	Wuliangye Yibin Co., Ltd.
Yibin State-owned Assets Supervision and Administration Commission	refers to	State-owned Assets Supervision and Administration Commission of Yibin Municipal Government
Wuliangye Group Company or the Group Company	refers to	Sichuan Yibin Wuliangye Group Co., Ltd.
Push Group Company	refers to	Sichuan Yibin Push Group Co., Ltd.
Global Group Company	refers to	Sichuan Yibin Global Group Co., Ltd.
Anji Logistic Group Co., Ltd.	refers to	Sichuan Anji Logistic Group Co., Ltd.
Sacred Mountain Molin Company	refers to	Sichuan Sacred Mountain Molin Group Co., Ltd.
Finance Company	refers to	Sichuan Yibin Wuliangye Group Finance Co., Ltd.
I&E Company	refers to	Yibin Wuliangye Group I&E Co., Ltd.
Creart Company	refers to	Yibin Wuliangye Creart Co., Ltd.
New Retail Company	refers to	Sichuan Wuliangye New Retail Management Co., Ltd.
NongXiang Series Baijiu	refers to	Wuliang NongXiang Series Baijiu Yibin Co., Ltd.

## Section II Company Profile and Main Financial Highlights

### I. Company information

Stock abbreviation	Wuliangye	Stock code	000858
Stock exchange for listing	Shenzhen Stock Exchange		
Company name in Chinese	宜宾五粮液股份有限公司		
Company short name in Chinese	五粮液		
Company name in English (if any)	WULIANGYE YIBIN CO.,LTD.		
Company short name in English (if any)	WLY		
Legal representative of the Company	Zeng Congqin		
Registered address	No. 150, Minjiang West Road, Cuiping District, Yibin, Sichuan		
Zip code of the registered address	644007		
Office address	No. 150, Minjiang West Road, Cuiping District, Yibin, Sichuan		
Zip code of the office address	644007		
Website	<a href="http://www.wuliangye.com.cn">http://www.wuliangye.com.cn</a>		
E-mail	000858-wly@sohu.com		

### II. Contact person and contact information

	Secretary of the board of directors	Representative for securities affairs
Name	Peng Zhifu	Xiao Xiangfa, Li Xinyi
Address	No. 150, Minjiang West Road, Cuiping District, Yibin, Sichuan	No. 150, Minjiang West Road, Cuiping District, Yibin, Sichuan
Tel	(0831) 3567000, 3566938, 3567988	(0831) 3567000, 3566938, 3567988
Fax	(0831) 3555958	(0831) 3555958
E-mail	000858-wly@sohu.com	000858-wly@sohu.com

### III. Information disclosure and preparation place

Name of media selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times
Website designated by China Securities Regulatory Commission for the Annual Report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Preparation place of the Company's Annual Report	Board office

**IV. Registration changes**

Organization code	91511500MA62A0WM8P
Changes in primary business since the Company's listing (if any)	No change during the reporting period
Previous changes of controlling shareholders (if any)	No change during the reporting period

**V. Other relevant information**

## Accounting firm engaged by the Company

Name of accounting firm	Sichuan Huaxin (Group) CPA (LLP)
Office address of the accounting firm	28/F, South Jinmaolidu, No.18, Ximianqiao Street, Chengdu, Sichuan
Name of signatory accountant	Li Min, Liu Jun, Ye Juan

The sponsor institution engaged by the Company to perform the continuous supervision responsibility during the reporting period

Applicable  Not applicable

Name of sponsor institution	Office address of sponsor institution	Name of sponsor representative	Continuous supervision period
Guotai Junan Securities Co., Ltd.	No. 618, Shangcheng Road, China (Shanghai) Pilot Free Trade Zone	Cai Hu, Liu Qiqun	January 1, 2020-December 31, 2020

Financial consultant engaged by the Company to perform the continuous supervision responsibility during the reporting period

Applicable  Not applicable

**VI. Main accounting data and financial highlights**

Whether the Company needs to retroactively adjust or restate the accounting data of the previous years

Yes  No

	Year 2020	Year 2019	Increase/decrease compared with the previous year	Year 2018
Operating revenue (RMB)	57,321,059,453.15	50,118,105,877.14	14.37%	40,030,189,599.87
Net profit attributable to shareholders of the listed company (RMB)	19,954,809,594.52	17,402,164,190.16	14.67%	13,384,246,683.60
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	19,994,943,929.15	17,405,930,787.45	14.87%	13,398,843,689.90
Net cash flows from operating	14,698,327,593.21	23,112,072,040.66	-36.40% (Note 1)	12,317,359,034.90

activities (RMB)				
Basic earnings per share (RMB/share)	5.141	4.483	14.68%	3.474
Diluted earnings per share (RMB/share)	5.141	4.483	14.68%	3.474
Weighted average return on equity	24.94%	25.26%	Decreasing by 0.32%	22.80%
	End of Year 2020	End of Year 2019	Increase/decrease at the end of the current year compared with the end of the previous year	End of Year 2018
Total assets (RMB)	113,893,139,013.72	106,396,972,333.66	7.05%	86,094,265,733.09
Net assets attributable to shareholders of the listed company (RMB)	85,705,972,645.74	74,290,700,662.22	15.37%	63,487,270,080.56

Note 1: This was mainly due to the combined effect of some sales returns in the first quarter being reflected at the end of the previous year and the increase in taxes paid.

The lower of the Company's net profit before or after deduction of non-recurring profit and loss for the last three accounting years is negative and the audit report for the latest year indicates that there is uncertainty about the Company's ability to continue as a going concern

Yes  No

The lower of net profit before or after deduction of non-recurring profit and loss is negative

Yes  No

## VII. Differences in accounting data under domestic and foreign accounting standards

### 1. Differences between the net profits and net assets in financial report disclosed under the International Accounting Standards and Chinese Accounting Standards simultaneously

Applicable  Not applicable

No difference between net profits and net assets in financial report disclosed under the International Accounting Standards and Chinese Accounting Standards.

### 2. Differences between the net profits and net assets in financial report disclosed under the Foreign Accounting Standards and Chinese Accounting Standards simultaneously

Applicable  Not applicable

No difference between net profits and net assets in financial report disclosed under the Foreign Accounting Standards and Chinese Accounting Standards.

**VIII. Quarterly key financial highlights**

Unit: RMB Yuan

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Operating revenue	20,238,226,408.60	10,529,299,579.80	11,725,241,211.51	14,828,292,253.24
Net profit attributable to shareholders of the listed company	7,704,289,543.99	3,151,102,423.87	3,690,062,707.02	5,409,354,919.64
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	7,728,228,541.40	3,134,775,831.86	3,720,117,673.87	5,411,821,882.02
Net cash flows from operating activities	-1,201,790,976.97	2,369,923,680.96	2,775,338,930.99	10,754,855,958.23

Whether there are significant differences between the above-mentioned financial index or the total number and the relevant financial index disclosed in the Company's quarterly report and semi-annual report

Yes  No

**IX. Items and amounts of non-recurring profit/loss**

Applicable  Not applicable

Unit: RMB Yuan

Item	Amount of Year 2020	Amount of Year 2019	Amount of Year 2018	Note
Gain or loss on disposal of non-current assets (including the write-off part of the provision for impairment of assets)	-5,064,647.92	-1,571,612.06	3,428,495.17	
Governmental subsidy recorded in current profit/loss (except those government subsidies, which are closely related to the business of a company and enjoyed in accordance with a certain standard quota or quantity of the state)	100,407,690.85	129,760,347.41	88,840,102.95	
Fund occupation fee collected from non-financial enterprises and recorded in current profit/loss	2,602,571.31	15,503,633.45	10,373,763.35	
Other non-operating revenue and expenditure except for the aforementioned items	-141,782,777.02	-135,436,782.11	-110,025,211.13	
Less: Impact on income tax	-15,373,976.81	-4,831,273.10	-8,928,533.56	
Impact on minority equity (after-tax)	11,671,148.66	16,853,457.08	16,142,690.20	
Total	-40,134,334.63	-3,766,597.29	-14,597,006.30	--

Concerning the non-recurring profit/loss defined by Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit/Loss, and the items defined as recurring profit/loss according to the lists of non-recurring profit/loss in Q&A



Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit/Loss, explain reasons.

Applicable  Not applicable

The Company had no item to be defined as recurring profit/loss in accordance with the non-recurring profit/loss defined and listed by Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit/Loss.

## Section III Summary of Company Business

### I. Primary business of the Company in the reporting period

The Company is mainly engaged in liquor production and sales. According to the Guidelines for the Industry Classification of Listed Companies (2012 Revision) issued by China Securities Regulatory Commission, liquor industry belongs to "liquor, beverage, and refined tea manufacturing industry" (C15). The primary business of the Company had no change during the reporting period. "Wuliangye" liquor, main product of the Company, has a long history and a rich cultural heritage, and is a typical strong-flavor Chinese spirit of China and a well-known national brand, which has been awarded the title of national famous liquor for many times and has been selected for the first batch of protection catalogue under the China-EU agreement on geographical indications. The Company also develops series liquor products with complete categories and distinctive nuance, including Wuliang Chun (Spring), Wuliang Chun, Wuliang Te Qu, Jian Zhuang, to provide consumers with quality products and a full range of services to continuously meet people's needs for a better life.

### II. Major changes in main assets

#### 1. Major changes in main assets

Applicable  Not applicable

#### 2. Main overseas assets

Applicable  Not applicable

### III. Analysis of core competitiveness

The Company has six unique advantages, and these constitute the traditional core-competitiveness of Wuliangye. 1) The individual Inatural, ecological environment makes Wuliangye unique; 2) The unique 600-years microbiota of its ancient caves has been growing continuously since the Ming Dynasty to the present day; 3) The high-quality, world-famous Wuliangye is distilled with five unique grain formulas; 4) It uses unique fermentation technologies and has a unique microbial zone within the Wuliangye Ten-Mile Liquor City, a complete, systematic and unique fermentation technique that has been handed down, scientifically summarised and carefully refined over a thousand years; 5) The unique, harmonious quality of Wuliangye makes it a typical representative of Chinese culture; and 6) The scale of the unique "Ten-Mile Liquor City" enables Wuliangye's brand value to top the liquor industry.

In 2020, the Company took various simultaneous measures to actively strengthen the brand culture, deepen digital transformation, optimize product portfolio, and construct a quality, product lifecycle management system. In doing so, it continued to improve its production support, quality assurance, brand influence, product competitiveness, channel control and marketing services. With the core competitiveness continued to be enhanced, Wuliangye's leading position of China's strong-flavour Baijiu was further solidified.

## Section IV Discussion and Analysis of Operation

### I. Overview

#### (I) General overview

It is an extraordinary year in 2020. In the face of the severe market environment, Wuliangye, under the strong leadership of the provincial party committee, provincial government and municipal party committee and municipal government, grasped the prevention and control of the pandemic on the one hand and grasped resumed work and production on the other hand, unswervingly focused on the development goal for the whole year, and continued to implement the work principle of "Making the best of the both worlds, and upgrading new momentum" with tenacious struggle, high-spirited upward momentum of development to realize the double victories of pandemic prevention and control and enterprise development, and successfully ending the 13th five-year Plan.

#### **1. Continue to improve the quality liquor rate, and steadily improve the support of production.**

During the reporting period, the total output of first-tier liquor exceeded the annual target, the output of first-tier liquor in the largest workshop reached a record high, and the output of super-grade liquor reached a new high, which laid a solid foundation for the Company to achieve sustainable development.

#### **2. Continuously strengthen the quality engineering, and significantly enhance the quality guarantee ability.**

The Company actively implemented the national rural revitalization strategy, created a Wuliangye special grain base, ensured high quality and stable supply of raw grain, promoted farmers' income so as to both feed back the local agricultural economy and provide guarantee for liquor quality from the source. At present, a special grain base of 1 million mu for distilling has been built, with 100% traceability of raw grain. In 2020, combined with the digital transformation, the Company started the product quality full lifecycle traceability project, realized the traceability of the whole industry chain of raw material procurement, storage, production, packaging and circulation, and effectively constructed the preventive quality control mode of from seed to liquor throughout the process. The Company continuously promoted liquor innovation, and the quality of Classic Wuliangye and the eighth generation Wuliangye was highly recognized by the market.

The construction of major projects progressed smoothly. The phase I of the 300,000-ton pottery jar aging spirit room has been completed and put into production, with an additional storage capacity of 80,000 tons of raw liquor. Main building construction of the liquor packaging and integrated smart storage-and-delivery project, the technological innovation project for storing blended liquor, and brewing special grain process bin & milling automation renovation project under construction have all been

completed; The liquor body design center, the enterprise technology center and the planning and renovation project in front of the plant have been launched in an all-round way.

### **3. Vigorously promote cultural construction, and make brand influence more powerful**

During the reporting period, the Company vigorously promoted the cultural construction focusing on brand strategy. The product portfolio of Wuliangye main brand and series liquor has been further improved, the Wuliangye Cultural Research Institute and the Cultural Research and Communication Center have been set up, the national "Compass Plan" Archaeological Wuliangye project has been implemented, and the construction of the experience base of "China Vintage Liquor Hall" has been launched in the highland market and key market. It strengthened brand communication through key projects and major events, and actively promoted the Company internationally. All these activities strengthened Wuliangye's brand reputation, lifting the brand value and influence continuously.

### **4. Speed up the reform of marketing organization, and the reform measures have been fruitful.**

After the outbreak of COVID-19, the Company promoted the policy of "New products make up for losses from old products, group purchase makes up for retailing loss, online business makes up for offline loss". With channel structure further optimized, the Company has established three major channel systems including traditional channel, group purchase and innovative channel. The official eeStore, Wuliangye cloud store and digital liquor license platform have been put into operation, and the market shows a high-quality development trend.

**Firstly, continue to improve the brand system, and further enhance the competitiveness of products.** The supply-side structural reform has been continuously deepened, and the Classic Wuliangye has been officially launched; The development of high-end cultural liquor, commemorative liquor and personalized customized products is progressing smoothly; The Company has launched a series of new liquor products such as Jian Zhuang, Wuliang Chun, Wuliang Te Qu in an orderly manner, while insisting on optimizing product structure, and a total of 12 brands have been streamlined in 2020.

**Secondly, continue to optimize channel construction and further enhance channel management and control.** The phase I of marketing digitization project has been almost completed, the whole process of marketing data has been visualized, and the marketing data has effectively improved decision-making. Continue to optimize the traditional channel structure and further purify the distributor team of Wuliangye. NongXiang Series Baijiu Company actively established base markets and model markets for Jianzhuang, Wuliang Chun and Wuliang Te Qu.

**Thirdly, continue to strengthen organizational security and further improve the ability of marketing services.** Throughout the year, the Company carried out more than 10,000 high-end banquets with dealers to cultivate a consumer atmosphere in the market and effectively helped dealers and terminals to achieve high-quality dynamic sales. The Company officially launched the Wuliangye cloud store, started the "Cloud Service", effectively helped exclusive stores in the context of COVID-19

to expand online sales opportunities, carried out digital group purchase, and implemented accurate member marketing.

## **5. Vigorously strengthen enterprises with science and technology, and lead high-quality development by scientific research**

The Company insisted on taking innovation as the first driving force to lead development, strived to enhance the enterprise's technological innovation capability, improved the efficiency of the innovation system, constantly advanced the Company's scientific and technological innovation capability and technology brand strength, and promoted the Company's strong science and technology to a new level. During the reporting period, in addition to improving the National Enterprise Technology Center, Postdoctoral Workstation, National Liquor Quality Supervision and Inspection Center and Enterprise Academician Workstation, the Company built the only national-level international joint research center on liquor quality and safety in the domestic food fermentation industry. The Company won 8 scientific and technological progress awards from industry associations and 3 scientific and technological progress awards at the provincial level. Among them, the technology of "interactive transmission mechanism and application of key microflora and flavor components in multi-grain strong-flavor liquor distilling" reached the international leading level. A major breakthrough has been made in the production of the liquor-making intelligent experimental base.

### **(II) Brand operation**

#### **1. Wuliangye products**

During the reporting period, the Company continued to optimize and improve the product system of Wuliangye in accordance with the principle of "three characteristics and one recognition", and formed a product system mainly consisting of Wuliangye 501, Classic Wuliangye, the eighth generation Wuliangye, Wuliangye 1618 and low-alcohol Wuliangye.

In September 2020, the Company launched a strategic high-end product "Classic Wuliangye" to catch up with the new trend of consumption upgrading, further enrich the category of high-end liquor and meet the needs of consumers for a better life. The Company successively held new product releases in Shanghai, Chengdu and Guangzhou, met with consumers with a positive attitude, and combined with the Imperial Palace culture IP to increase its exposure as well as focusing on key markets and locking high-end consumption and other aspects to continue to promote the Classic Wuliangye and consumer cultivation work, and the Company received wide attention and recognition by consumers.

#### **2. Series liquor products**

Series liquor products continued to adhere to the three focus principles of "strengthening national strategic brands, expanding regional key brands, and optimizing total distribution brands", focusing on creating four national items, namely, Wuliang Chun (Spring), Wuliang Chun, Wuliang Te Qu, and Jian Zhuang, to strengthen product dynamic sales and vigorously promote brand upgrading.

In 2020, it comprehensively completed the upgrading and launch of major brands such as Jian

Zhuang, Wuliang Chun and Wuliang Te Qu, and successfully implemented the key market building and terminal classification construction of the above brands, re-defined the development positioning of each brand and defined the price range, further solidified the foundation of brand development, and achieved good results.

### (III) Major sales model of the Company

**Distribution model:** This includes the traditional channel operator model, specialty shop model, KA marketplace, etc., mainly sold offline.

**Direct sales model:** This includes group purchase sales model, where products are sold directly to group consumers, and online sales model, where products are sold through e-commerce platforms such as Tmall and JD.

### (IV) Distribution models

√ Applicable    □ Not applicable

#### 1. Operating revenue, operating costs and gross profit for different models and products

Unit: RMB Yuan

Item	Operating revenue	Operating cost	Gross profit margin	Year-on-year increase/decrease in operating revenue	Year-on-year increase/decrease in operating cost	Year-on-year increase/decrease in gross profit margin
Sales model						
Liquor products	52,434,071,866.48	10,342,416,169.52	80.28%	13.24%	11.40%	0.33%
Including: Distribution model	45,379,752,892.82	9,258,969,334.00	79.60%	4.65%	6.04%	-0.26%
Direct sales model	7,054,318,973.66	1,083,446,835.52	84.64%	140.15%	96.15%	3.44%
Product categories						
Liquor products	52,434,071,866.48	10,342,416,169.52	80.28%	13.24%	11.40%	0.33%
Including: Wuliangye products	44,060,628,351.09	6,631,626,495.10	84.95%	13.92%	12.28%	0.22%
Series liquor products	8,373,443,515.39	3,710,789,674.42	55.68%	9.81%	9.86%	-0.02%

**2. Number of distributors**

Region	Number of distributors	Year-on-year increase/decrease	Reason for change (more than 30%)
Eastern Region	526	1%	Not applicable
Southern Region	400	1%	
Western Region	380	-1%	
Northern Region	262	0%	
Central Region	393	-3%	

**3. Shops sales terminals account for more than 10%**

Applicable  Not applicable

**4. Online direct sales**

Applicable  Not applicable

Product categories	Platform name
<b>Wuliangye products:</b>	
Eighth generation Wuliangye	Official Tmall, JD and WeChat marketplaces
<b>Series liquor products:</b>	
Wuliang Chun (Spring), Wuliang Chun, Wuliang Te Qu, and Jian Zhuang	Official Tmall, JD and WeChat marketplaces

Major products accounting for more than 10% of total operating revenue for the current period with a change in selling price of more than 30% from the previous reporting period

Applicable  Not applicable

**(V) Procurement model and procurement content**

Unit: RMB Yuan

Procurement model	Procurement content	Amount for major procurement content
Market-based procurement	Raw materials and auxiliary materials etc.	7,236,328,806.72
Market-based procurement	Packing materials	1,315,862,051.14
Market-based procurement	Energy	462,958,013.08

Procurement of raw materials from cooperatives or farmers accounting for more than 30% of the total procurement amount

Applicable  Not applicable

Year-on-year change of more than 30% in prices of major purchased raw materials

Applicable  Not applicable

**(VI) Main production models**

The Company's liquor products are all produced by itself.

Processing and production outsourced

Applicable  Not applicable

**(VII) Production output and inventory****1. Production output, sales and inventory of major products**

Products	Production output (Ton)		Sales volume (Ton)		Inventory (Ton)	
	Amount in the current period	Year-on-year change	Amount in the current period	Year-on-year change	Amount in the current period	Year-on-year change
Wuliangye products	25,952	0.23%	28,139	5.28%	2,733	-44.45%
Series liquor products	132,879	-6.67%	132,304	-4.60%	11,486	5.27%
<b>Total</b>	<b>158,831</b>	<b>-5.61%</b>	<b>160,443</b>	<b>-3.00%</b>	<b>14,219</b>	<b>-10.18%</b>

Remarks: The statistical calibre of the above-mentioned liquors are all commercial liquors. The decrease in inventory of Wuliangye products is mainly due to the increase in sales volume and the increase in the storage period of pottery jar aging liquors.

**2. Finished liquor, semi-finished liquor (including base liquor)**

Category	Inventory (Ton)
Finished liquor	14,219
Semi-finished liquor (including pottery jar aging liquor)	215,473

**3. Disclose the design production capacity, actual production capacity and production capacity under construction of major products by production entities**

Major products	Design production capacity (10,000 tons)	Actual production capacity (10,000 tons)	Production capacity under construction (10,000 tons)
Liquors	10.38	9.54	1.999

Remarks: The above production capacity figures are all based on base liquor calibre.

**II. Analysis of primary business****1. Overview**

See "I. Overview" in "Discussion and analysis of operation".

**2. Revenue and cost****(1) Operating revenue composition**

Unit: RMB Yuan

	Year 2020		Year 2019		Year-on-year increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	57,321,059,453.15	100%	50,118,105,877.14	100%	14.37%
By industry					
Manufacturing industry	57,321,059,453.15	100.00%	50,118,105,877.14	100.00%	14.37%
By product					
Liquors	52,434,071,866.48	91.47%	46,301,838,985.74	92.39%	13.24%



Including: Wuliangye products	44,060,628,351.09	76.87%	38,676,204,031.90	77.17%	13.92%
Series liquor products	8,373,443,515.39	14.61%	7,625,634,953.84	15.22%	9.81%
Plastic products	2,585,059,494.52	4.51%	2,540,536,361.21	5.07%	1.75%
Printing	136,405,558.64	0.24%	124,811,258.13	0.25%	9.29%
Glass bottle	176,439,052.84	0.31%	194,271,586.53	0.39%	-9.18%
Others	1,989,083,480.67	3.47%	956,647,685.53	1.91%	107.92%
By region					
Liquor products	52,434,071,866.48	91.47%	46,301,838,985.74	92.39%	13.24%
Including: Eastern Region	14,186,030,946.71	24.75%	10,897,821,644.19	21.74%	30.17%
Southern Region	5,623,782,156.78	9.81%	5,449,656,248.58	10.87%	3.20%
Western Region	18,493,709,772.58	32.26%	15,290,228,925.34	30.51%	20.95%
Northern Region	5,787,446,943.40	10.10%	5,924,647,357.20	11.82%	-2.32%
Central Region	8,343,102,047.01	14.56%	8,739,484,810.43	17.44%	-4.54%
Non-alcohol products	4,886,987,586.67	8.53%	3,816,266,891.40	7.61%	28.06%

Remarks: 1. The Company did not export alcoholic products directly, but sold them to the I&E Company for export.

2. The Company's sales region is divided according to the customer's registered office.

**(2) Industries, products or regions that account for more than 10% of the Company's operating revenue or profit**

√ Applicable   □ Not applicable

Unit: RMB Yuan

	Operating revenue	Operating cost	Gross profit margin	Year-on-year increase/decrease in operating revenue	Year-on-year increase/decrease in operating cost	Year-on-year increase/decrease in gross profit margin
By industry						
Manufacturing industry (liquor and spirits)	52,434,071,866.48	10,342,416,169.52	80.28%	13.24%	11.40%	0.33%
By product						
Liquors	52,434,071,866.48	10,342,416,169.52	80.28%	13.24%	11.40%	0.33%
Including: Wuliangye products	44,060,628,351.09	6,631,626,495.10	84.95%	13.92%	12.28%	0.22%
Series liquor products	8,373,443,515.39	3,710,789,674.42	55.68%	9.81%	9.86%	-0.02%
By region						

Liquors	52,434,071,866.48	10,342,416,169.52	80.28%	13.24%	11.40%	0.33%
Including: Eastern Region	14,186,030,946.71	2,678,440,341.16	81.12%	30.17%	40.43%	-1.38%
Southern Region	5,623,782,156.78	1,019,548,758.68	81.87%	3.20%	3.31%	-0.02%
Western Region	18,493,709,772.58	3,972,887,096.63	78.52%	20.95%	6.92%	2.82%
Northern Region	5,787,446,943.40	1,099,621,656.33	81.00%	-2.32%	0.02%	-0.44%
Central Region	8,343,102,047.01	1,571,918,316.72	81.16%	-4.54%	-0.17%	-0.82%

In the case that the statistical standards for primary business data of the Company are adjusted during the reporting period, the primary business data of the Company in recent 1 year are subject to those after the adjustment of the statistical standards at the end of the reporting period

Applicable  Not applicable

**(3) Whether the Company's revenue from physical sales is greater than revenue from labors**

Yes  No

Industry classification	Item	Unit	Year 2020	Year 2019	Year-on-year increase/decrease
Liquors	Sales volume	Ton	160,443	165,411	-3.00%
	Production	Ton	158,831	168,272	-5.61%
	Inventory	Ton	14,219	15,831	-10.18%

Remarks: The above statistics standard for liquors are all for commercial liquors.

Reasons for more than 30% year-on-year changes in the relevant data

Applicable  Not applicable

**(4) Performance of major sales contracts signed by the Company up to the reporting period**

Applicable  Not applicable

**(5) Operating cost composition**

Unit: RMB Yuan

Industry classification	Item	Year 2020		Year 2019		Year-on-year increase/decrease in proportion
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Manufacturing industry	Raw materials	8,280,192,175.78	55.90%	6,409,107,723.74	50.06%	5.84%
	Salary	4,328,398,411.77	29.22%	4,228,023,628.65	33.03%	-3.81%
	Energy	796,325,741.28	5.38%	957,955,244.56	7.48%	-2.10%
	Manufacturing expenses	1,407,045,149.82	9.50%	1,207,173,350.39	9.43%	0.07%

**(6) Whether the consolidation scope changes in the reporting period**

Yes  No

On April 15, 2020, the Company and Wuliangye Group Company, as reviewed and approved by the

72nd meeting of the fifth board of directors of the Company, jointly funded and established "Sichuan Wuliangye New Retail Management Co., Ltd.", of which the registered capital was RMB 100 million. The Company contributed RMB 90 million, taking up 90% of the registered capital; Wuliangye Group contributed RMB 10 million, taking up 10% of the registered capital; and Sichuan Wuliangye New Retail Management Co., Ltd. is included in the consolidation scope of the Company since its establishment.

**(7) Major changes or adjustments of business, products or services of the Company during the reporting period**

Applicable  Not applicable

**(8) Major sales customers and major suppliers**

Major sales customers of the Company

Total sales amount of top five customers (RMB)	10,358,495,336.11
Proportion of total annual sales of top five customers in total annual sales	18.07%
Proportion of related parties in total annual sales among the top five customers	0.00%
Total accounts receivable at the end of the period from top five customers	0.00
Main settlement methods and distribution methods of the top five customers	Mainly a distribution model, with a "payment before delivery" settlement method

Top 5 customers of the Company

No.	Customer name	Sales amount (RMB)	Proportion in total annual sales
1	No.1	3,097,384,069.43	5.40%
2	No.2	2,522,073,333.60	4.40%
3	No.3	2,154,212,287.26	3.76%
4	No.4	1,420,206,982.60	2.48%
5	No.5	1,164,618,663.22	2.03%
Total		10,358,495,336.11	18.07%

Other information of major customers

Applicable  Not applicable

Major suppliers of the Company

Total purchase amount from top five suppliers (RMB)	2,124,927,323.43
Proportion in total annual purchase amount for top five suppliers	21.78%
Proportion of the purchase from related parties in total annual purchase amount among the top five customers	13.10%

Top 5 suppliers of the Company

No.	Supplier name	Purchase amount (RMB)	Proportion in total annual purchase amount
1	No.1	534,305,032.99	5.48%
2	No.2	503,334,021.23	5.16%
3	No.3	385,693,902.73	3.95%
4	No.4	358,122,720.89	3.67%
5	No.5	343,471,645.59	3.52%
Total		2,124,927,323.43	21.78%

Other information of major suppliers

Applicable  Not applicable

### 3. Expense

Unit: RMB Yuan

Item	Year 2020	Year 2019	Year-on-year increase/decrease	Note on major changes
Selling expenses	5,578,918,523.98	4,985,579,336.77	11.90%	
Administrative expenses	2,609,529,686.09	2,655,347,148.09	-1.73%	
Financial expenses	-1,485,519,200.21	-1,430,745,865.74	Not applicable	
Research and development expense	131,315,225.33	126,360,421.11	3.92%	

#### (1) Specific composition of selling expenses

Unit: RMB Yuan

Item	Year 2020		Year 2019		Year-on-year change	Reasons for change
	Amount	Proportion in selling expenses	Amount	Proportion in selling expenses		
Image publicity expense	1,148,203,672.92	20.58%	987,687,876.55	19.81%	16.25%	
Sales promotional expense	3,302,764,255.56	59.20%	3,008,319,662.93	60.34%	9.79%	
Storage and logistics expenses	260,214,712.62	4.66%	350,991,941.23	7.04%	-25.86%	Note 1:
Expenses of labour	470,739,623.11	8.44%	331,708,441.32	6.65%	41.91%	Note 2:
Other expenses	396,996,259.77	7.12%	306,871,414.74	6.16%	29.37%	
Total	5,578,918,523.98		4,985,579,336.77		11.90%	

Note 1: In accordance with the new revenue standard, transportation costs directly related to the execution of contracts were transferred from "selling expenses" to "operating costs" in the current period.

Note 2: This was mainly due to the reform in the Company's marketing organization in the second

half of 2019 and the corresponding increase in investment in new sales staff.

## (2) Advertising expenses

In 2020, the Company's advertising methods mainly included TV, radio, internet, outdoor advertising and exhibitions, with RMB 128 million for online advertising, RMB 483 million for offline advertising and RMB 537 million for TV advertising.

## 4. Research and development investment

√ Applicable   □ Not applicable

### (1) Purpose of the R&D project

In 2020, as an established research direction, the Company continued its R&D work. It researched the application of solid, fermented microorganisms to Chinese spirits, carried out risk assessment into liquor as a consumable, and researched the application of intelligent brewing technologies. It also researched the technologies for liquor analysis, brewing technologies and developing new products. It did this to provide support at the supply side.

### (2) Progress, planned objective, and impact on future development of the Company

---On July 16, 2020, the project "Analysis of microbial structure and metabolic characteristics of solid fermentation grains of single-grain and multiple-grains strong-flavor Chinese spirits", in collaboration with Jiangnan University, won the second prize of the Science and Technology Award of the China Alcoholic Drinks Association in 2019.

---On May 19, 2020, two projects, "Key Microorganisms and Flavour Components Transfer Mechanism and Application of Multi-Grain Strong-Flavor Chinese Spirits" and "Research and Application of Exogenous Food Safety Risk Assessment Method for Brewing", successfully passed the provincial-level results evaluation and reached the "international leading and domestic leading" level, respectively.

--- The project "Application Research on Efficient Fractionation and Enhancement of Quality and Efficiency" is now working steadily and effectively after two years of applied trials. The application of high efficiency fractionators has contributed to a greater extent to the improvement of the yield and has generated greater economic benefits.

Through the results obtained from the aforementioned project research, the Company plans to carry out the efficient utilisation of the resources for solid fermentation that can be applied to strong-flavor Chinese spirits. It has assessed the existing resources and how they are utilized, so that it can improve the rate of producing quality products, ensure food safety, and consolidate the Company's position as a leader in strong-flavor Chinese spirits.

Research and development investment of the Company:

Item	Year 2020	Year 2019	Proportion of change
Number of research and development personnel (person)	2,719	2,719	0.00%
Proportion of research and	10.51%	10.32%	Up 0.19%

development personnel			
Research and development investment (RMB)	131,315,225.33	126,360,421.11	3.92%
Proportion of research and development investment in operating revenue	0.23%	0.25%	Down 0.02%
Capitalized amount of research and development investment (RMB)	0	0	Not applicable
Proportion of capitalized research and development investment in research and development investment	0.00%	0.00%	0.00%

Reasons for significant changes in the proportion of total research and development investment amount in operating revenue compared with the previous year

Applicable  Not applicable

Reasons for the significant changes of research and development investment capitalization rate and description of its rationality

Applicable  Not applicable

## 5. Cash flow

Unit: RMB Yuan

Item	Year 2020	Year 2019	Year-on-year increase/decrease
Sub-total of cash inflows from operating activities	64,967,961,994.18	64,604,503,080.77	0.56%
Sub-total of cash outflows from operating activities	50,269,634,400.97	41,492,431,040.11	21.15%
Net cash flows from operating activities	14,698,327,593.21	23,112,072,040.66	-36.40% (Note 1)
Sub-total of cash inflows from investing activities	6,438,616.16	92,050,811.98	-93.01%
Sub-total of cash outflows from investing activities	1,728,453,964.74	1,708,455,125.66	1.17%
Net cash flows from investing activities	-1,722,015,348.58	-1,616,404,313.68	6.53%
Sub-total of cash inflows from financing activities	15,000,000.00		Not applicable
Sub-total of cash outflows from	9,228,223,328.76	7,251,646,962.56	27.26%

financing activities			
Net cash flows from financing activities	-9,213,223,328.76	-7,251,646,962.56	27.05%
Net increase in cash and cash equivalents	3,762,958,476.66	14,244,084,425.84	-73.58% (Note 1)

Description of main influencing factors of significant changes in relevant data on a year-on-year basis

Applicable  Not applicable

Note 1: This was mainly due to the combined effect of some sales returns in the first quarter being reflected at the end of the previous year and the increase in taxes paid.

Reasons for significant difference between the net cash flows from operating activities of the Company and the net profit of the current year during the reporting period

Applicable  Not applicable

### III. Analysis of non-primary business

Applicable  Not applicable

### IV. Analysis of assets and liabilities

#### 1. Significant changes in asset composition

Unit: RMB Yuan

	End of Year 2020		Beginning of Year 2020		Increase/ decrease in proportion	Note on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash and cash equivalents	68,209,577,022.61	59.89%	63,238,825,723.79	59.44%	0.45%	
Accounts receivable	41,496,170.35	0.04%	134,449,693.03	0.13%	-0.09%	
Inventory	13,228,273,631.45	11.61%	13,679,619,615.41	12.86%	-1.25%	
Long-term equity investment	1,849,977,103.30	1.62%	1,021,778,731.59	0.96%	0.66%	
Fixed assets	5,866,880,860.03	5.15%	6,108,745,912.72	5.74%	-0.59%	
Construction in progress	1,482,098,184.64	1.30%	812,428,248.30	0.76%	0.54%	

**2. Assets and liabilities measured at fair value**

√ Applicable □ Not applicable

Unit: RMB Yuan

Item	Beginning amount	Profit or loss from changes in fair value in current period	Accumulated changes in fair value reckoned into equities	Impairment provided in current period	Purchase amount in current period	Amount of sales in current period	Other changes	Ending amount
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	1,200,000.00							1,200,000.00
2. Derivative financial assets								
3. Other debt investments								
4. Other equity instrument investment								
5. Accounts receivable financing	3,450,166,659.06						-1,425,724,642.34	2,024,442,016.72
Sub-total of financial assets	3,451,366,659.06						-1,425,724,642.34	2,025,642,016.72
Investment properties								



Productive biological assets								
Others								
Sum of the above items	3,451,366,659.06						-1,425,724,642.34	2,025,642,016.72
Financial liabilities								

Is there any significant change in measurement attributes of main assets of the Company in the reporting period?

Yes  No

**3. Limitation on the assets and rights as of the end of the reporting period**√ Applicable  Not applicable

Unit: RMB Yuan

Item	Ending book value	Reasons for limitation
Cash and cash equivalents	329,069,085.01	Deposit of bank acceptance bill of RMB 328,818,561.81 and other deposits of RMB 250,523.20.
Accounts receivable financing	52,470,000.00	Pledge of bank acceptance bill
Total	381,539,085.01	

**V. Situation of investment****1. General situation**√ Applicable  Not applicable

Amount invested in the reporting period (RMB)	Amount invested in the same period of the previous year (RMB)	Range of change
734,693,877.55	9,800,000.00	7396.88%

Remarks: This investment is an equity investment and is mainly due to the capital increase in the Finance Company during the reporting period.

**2. The significant equity investment obtained during the reporting period** Applicable  Not applicable**3. The significant non-equity investment being carried out during the reporting period** Applicable  Not applicable**4. Financial assets investment****(1) Note on securities investment** Applicable  Not applicable

The Company had no securities investment during the reporting period.

**(2) Note on derivative investment** Applicable  Not applicable

The Company had no derivative investment during the reporting period.

**5. Use of funds raised**√ Applicable  Not applicable**(1) Overall use of funds raised**√ Applicable  Not applicable

Unit: RMB '0,000

Year of raising	Raising method	Total funds raised	Funds raised used in current period	Total funds raised used	Total funds raised of which the purpose has been changed during the reporting period	Total funds raised of which the purpose has been changed	Proportion of the total funds raised of which the purpose has been changed	Total funds raised which have not been used	Purpose and allocation of funds raised which have not been used	Funds raised which has been idle for more than two years
Year 2018	Non-public offering of shares	185,327.74	36,612.2	52,218.01	169,405.51	169,405.51	91.41%	133,109.73	In addition to call deposit, the funds raised which have not been used by the Company remained on the special account for funds raised and would be used for the investment projects of the funds raised.	
Total	--	185,327.74	36,612.2	52,218.01	169,405.51	169,405.51	91.41%	133,109.73	--	
Description of overall use of funds raised										
During the reporting period, the Company actually paid RMB 2.2443 million for the information construction project; RMB 0 million for the marketing center construction project; and RMB 21.925 million for the service-oriented E-commerce platform project, RMB 156.3103 million for the liquor packaging and integrated smart storage-and-delivery project; and RMB 185.6424 million for the technological innovation project for storing blended liquor.										

**(2) Projects promised to be invested with funds raised**√ Applicable  Not applicable

Unit: RMB '0,000

Committed investment projects and allocation of over-raised funds	Whether the project has been changed (including partial change)	Total amount of committed investment of the funds raised	Total investment amount after adjustment (1)	Investment in the reporting period	Accumulated investment as of the end of the period (2)	Investment progress as of the end of the period (3)= (2)/(1)	Date on which the project reaches the expected usable condition	Income realized in the reporting period	Whether reach the expected income	Is there any significant change in feasibility of the project
Committed investment projects										
Information construction	Yes	71,530	5,644.64	224.43	5,644.64	100.00%	Not applicable	Not applicable	Not applicable	No

Construction of marketing center	Yes	50,793	3,944.06	0	3,944.06	100.00%	Not applicable	Not applicable	Not applicable	No
Service-oriented E-commerce platform	Yes	63,074	8,434.04	2,192.5	8,434.04	100.00%	Not applicable	Not applicable	Not applicable	No
The liquor packaging and integrated smart storage-and-delivery	No	0	94,422.74	15,631.03	15,631.03	16.55%	Expected in December 2023	Not applicable	Not applicable	No
The technological innovation project for storing blended liquor	No	0	74,982.77	18,564.24	18,564.24	24.76%	Expected in December 2022	Not applicable	Not applicable	No
Sub-total of committed investment projects	--	185,397	187,428.25	36,612.2	52,218.01	--	--		--	--
Allocation of over-raised funds										
Total	--	185,397	187,428.25	36,612.2	52,218.01	--	--		--	--
Note on and reason for not reaching the scheduled progress or expected income (based on specific projects)	Not applicable									
Description of any significant change in feasibility of the project	Not applicable									
Amount, purpose, and application progress of over-raised funds	Not applicable									
Change of implementation place of investment projects with the funds raised	Not applicable									
Adjustment of means of implementation of investment projects with the funds raised	Not applicable									
Early investment and replacement of investment projects with the funds raised	Not applicable									
Note on making up working capital temporarily with idle funds raised	Not applicable									
Amount and cause of balance of funds raised after implementation of	Not applicable									

the project	
Purpose and allocation of funds raised which have not been used	In addition to call deposit, the funds raised which have not been used by the Company remained on the special account for funds raised and would be used for the investment projects of the funds raised.
Problems or other information about application and disclosure of the funds raised	Refer to the special report on deposit of funds raised and actual use

**(3) Changes of projects with the funds raised**√ Applicable  Not applicable

Unit: RMB '0,000

Project after change	Corresponding original projects promised	Total funds raised to be invested in the changed project (1)	Actual amount invested during the reporting period	Actual accumulated investment as of the end of the period (2)	Investment progress as of the end of the period (3)= (2)/(1)	Date on which the project reaches the expected usable condition	Income realized in the reporting period	Whether reach the expected income	Is there any significant change in feasibility of the changed project
The liquor packaging and integrated smart storage-and-delivery	Information construction, construction of marketing center,	94,422.74	15,631.03	15,631.03	16.55%	Expected in December 2023	Not applicable	Not applicable	No
The technological innovation project for storing blended liquor	service-oriented E-commerce platform	74,982.77	18,564.24	18,564.24	24.76%	Expected in December 2022	Not applicable	Not applicable	No
Total	--	169,405.51	34,195.27	34,195.27	--	--		--	--
Statement of reasons for change, decision-making procedures and disclosure of information (by project)	At the 73rd meeting of the 5th board of directors of the Company and the annual general meeting of 2019 held on April, 24 2020 and May, 29 2020 reviewed and approved the <i>Proposal for Change the Use of Funds Raised from Non-public Offering and the Subject of Implementation</i> , agreeing to change the use of funds raised; the subject of implementation of the project was changed from Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd. to Sichuan Yibin Wuliangye Winery Co., Ltd. For details, please refer to the <i>Announcement of Resolutions of the 73rd Meeting of the 5th Board of Directors</i> , <i>Announcement of Resolutions of the Annual General Meeting of 2019</i> and <i>Announcement on the Signing of the Non-public Offering &lt;Supervision Agreement for the Funds Raised in a Special Account by Four Parties&gt;</i> of the Company.								
Note on and reason for not reaching the scheduled progress or expected income (based on specific projects)	Not applicable								
Description of any significant change in feasibility of the project after change	Not applicable								

## VI. Sales of significant assets and equities

### 1. Sales of significant assets

Applicable  Not applicable

The Company did not sell significant assets during the reporting period.

### 2. Sales of significant equities

Applicable  Not applicable

## VII. Analysis of main holding and JV companies

Applicable  Not applicable

Main subsidiaries and JV companies that affect the net profits of the Company by more than 10%

Unit: RMB Yuan

Company name	Company type	Primary business	Registered capital	Total assets	Net assets
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Liquor sales, liquor import and export business and agency	200,000,000.00	39,066,651,213.16	24,171,031,611.19

Company name	Company type	Primary business	Operating revenue	Operating profit	Net profit
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Liquor sales, liquor import and export business and agency	50,993,911,050.55	22,754,233,531.30	17,066,813,026.81

Acquisition and disposal of subsidiaries during the reporting period

Applicable  Not applicable

Company name	Means of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
Sichuan Wuliangye New Retail Management Co., Ltd.	Establishment	The New Retail Company is committed to building a "Vertical Ecological Empowerment Platform" that integrates a brand promotion platform, a product sales platform, a consumer interaction platform and an online market management platform, and is also an advantageous pattern for the Company to rely on new technology applications such as big data to lay out the future, continuously meet the growing consumer demand, actively integrate into the economy of the times and improve the new intelligent retail system to complement and develop synergistically with traditional channels.

## VIII. Structured entities controlled by the Company

Applicable  Not applicable

## IX. Prospect of future development of the Company

### (I) Industry landscape and trend

In 2021, the downward pressure of domestic economy further increases due to many uncertainties regarding changes of COVID-19 and the external environment, but the fundamentals and basic trend of steady long-term economic growth in China remain unchanged. The production capacity of the liquor industry is still in excessive and the competition pattern of extruded growth will exist in long term. The liquor industry is still in the long cycle of a new round of growth characterized by structural prosperity, in which high-end liquor will continue to lead the structural growth of the industry and the industry will be further concentrated on superior brands, superior enterprises and superior producing areas.

### (II) Development strategy of the Company

Strategic vision of the Company: The Company is dedicated to keeping it evergreen and strives to build a green, creative, and leading first-class enterprise in the world and realize high-quality, sustainable development.

### (III) Completion of the business plan 2020

1. Planning at the beginning of the year: Double-digit growth for the total operating revenue in 2020.

2. Actual completion: In 2020, the Company's operating revenue reached RMB 57.321 billion, with year-on-year growth of 14.37%.

### (IV) Development goals for 2021

The year 2021 is the start of building a great modern socialist country, the opening year of the 14th Five-Year Plan, and a key year for Wuliangye Group's innovative development, transformation and leapfrogging development. Under Xi Jinping's guiding principle of "socialism with Chinese characteristics", the Company will, fully implement a series of important instructions that were outlined for Sichuan at the fifth plenary session of 19th National Congress of the Communist Party of China and adhere to the general principle of seeking progress while keeping performance stable, be based on the new development stage, implement the new development concept, integrate into the new development pattern, aim to meet the new demand of consumer upgrade, take the vision of building a green, innovative and leading first-class enterprise, lead the supply-side structural reform with process innovation and liquor body innovation as the core, and comprehensively promote Wuliangye Group's greater innovative development, transformation and leaping development.

The Company's business objective for 2021: The Company strives to achieve double-digit growth for the total operating revenue and will continue to maintain the average advanced development rate of

the industry's backbone enterprises to ensure that the development of the enterprise runs in a reasonable range of sound and sustainable growth.

Focus on four areas of work: 1) making every effort to promote high-quality development; 2) making every effort to promote comprehensive deepening reform; 3) making every effort to implement the innovation-driven strategy; and 4) making every effort to grasp the construction of major projects.

#### (V) Potential risks

1) macroeconomic uncertainties; 2) further intensification of competition in the industry; and 3) the risk of intellectual property protection for well-known brands.

## X. Reception, research, communication, interview and other activities

### 1. Registration form of reception, research, communication, interview and other activities during the reporting period

√ Applicable □ Not applicable

Date of reception	Reception location	Way of reception	Type of interviewees	Interviewees	Main contents discussed and information provided	Basic information index of the survey
January 13-14, 2020	Shanghai	Securities trader Strategy meeting	Institution	Sumitomo Mitsui Trust, Sculptor Capital, ALPHALEX CAPITAL, Citigroup, Brilliance Capital, Fidelity Capital, etc.	Development strategy and production operation of the Company	CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
March 3, 2020	Yibin	Telephone communication	Institution	E Fund, Hwabao WP Fund, Ping An Capital Management, Yinhua Fund, China Universal Asset Management, etc.		
March 10, 2020	Yibin	Telephone communication	Institution	E Fund, ChinaAMC		
March 23, 2020	Yibin	Telephone communication	Institution	CCB Principal Asset Management		
May 29, 2020	Yibin	General Meeting	Institution	Greenwoods Asset Management, ChinaAMC, Huachuang Securities, China Merchants Securities, etc.		
June 22-24, 2020	Yibin	Telephone communication	Institution	Foreign institutional investors, Wells Fargo Funds Management, Taikang, etc.		
July 2, 2020	Yibin	Telephone communication	Institution	Essence Securities, China Life Asset Management Company Limited, E Fund, Guangdong Development Fund, China Merchants Fund, China Universal Asset Management, etc.		
July 7-9, 2020	Yibin	Telephone communication	Institution	CLSA, JPM, Lone Pine, China Securities Cooperation, Zhong Ou		



				Asset Management, Great Wall Fund, Baoying Fund, Taikang, Northeast Securities, HSBC Qianhai, ChinaAMC, China Universal Asset Management, etc.	the Company	CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
July 23, 2020	Yibin	Telephone communication	Institution	Zheshang Securities, China Merchants Fund, Yinhua Fund, China Universal Asset Management, China Southern Fund Management, etc.		
August 31, 2020	Yibin	Field survey	Institution	Huaxi Securities, Dongxing Securities, Sealand Securities, Gelin Fund, DAPU Asset Management, etc.	Half-yearly report for 2020 and the future plans of the Company	
September 2-3, 2020	Shanghai	Strategy Meeting for Securities Traders	Institution	E Fund, China Everwin Asset, AEGON-INDUSTRIAL Fund, Ping An Asset Management, ABC-CA Fund Management, Taiping Asset Management, GUOTAI AMC, etc.		
September 4, 2020	Nanjing	Strategy Meeting for Securities Traders	Institution	ICBC Credit Suisse, Boseru Funds, Caitong Fund, Sealand Securities, etc.		
September 8-11, 2020	Shanghai	Strategy Meeting for Securities Traders	Institution	Greenwoods Asset Management, ABC-CA Fund Management, pinpoint, Greencourt, etc.		
September 16, 2020	Yibin	Field survey	Institution	Sunshine Asset Management, Temasek, OHIM, StarRock Investment Management, Perseverance Asset Management, Ping An Asset, etc.		
September 17, 2020	Shanghai	Strategy Meeting for Securities Traders	Institution	Ping An Asset Management, Yinhua Fund, Boseru Funds, Great Wall Fund, etc.		
October 31, 2020	Hangzhou	Strategy Meeting for Securities Traders	Institution	Centennial insurance, China Merchants Fund, Sunshine Asset Management, Shicheng Asset, etc.		
November 3, 2020	Yibin	Field survey	Institution	Greenwoods Asset Management, Huachuang Securities, Sealand Securities		
November 5, 2020	Beijing	Strategy Meeting for Securities Traders	Institution	Yinhua Fund, Penghua Fund, Avic Fund, Great Wall Fund, China Post Fund, CCB Principal Asset Management, Royal Investment Management, ICBC Credit Suisse, Boseru Funds, Ping An-UOB Fund, etc.		
November 11, 2020	Beijing	Strategy Meeting for	Institution	Harvest Fund, Boseru Funds, Everbright Pramerica Fund		

		Securities Traders		Management, Fudun Investment Management, Temasek, ChinaAMC, China Life Pension, OHIM, LONGRISING, Orient Fund, Guangdong Development Fund, Yinhua Fund, etc.	
November 19-20, 2020	Shenzhen	Strategy Meeting for Securities Traders	Institution	Dacheng Fund, CITIC Asset Management, China Universal Asset Management, Perseverance Asset Management, ABC-CA Fund Management, Government of Singapore Investment Corp, etc.	
November 19, 2020	Haikou	Strategy Meeting for Securities Traders	Institution	China Cornerstone Capital, HAZEL INVESTMENT, Loyal Valley Capital, China Demeter Financial Investments, Guangdong Wenshi Investment, CICC Fund, etc.	
Reception times					55
Number of organizations received					1,264
Number of individuals received					0
Number of other interviewees received					0
Whether undisclosed important information is disclosed, revealed or divulged					No

## Section V Significant Matters

### I. Common stock profit distribution and transferring capital reserve to capital stock of the Company

Formulation, implementation and adjustment of common stock profit distribution policy, especially cash dividend policy, during the reporting period

Applicable  Not applicable

According to the Profit Distribution Plan 2019 reviewed and adopted at the Annual General Meeting 2019 of the Company, based on the total capital stock of 3,881,608,005, the Company distributed the dividend of RMB 22 in cash (tax inclusive) to all shareholders for every 10 shares. The distribution plan was expressed by the independent directors of the Company, submitted to the general meeting for approval after reviewed by the board of directors of the Company, and had been implemented on June 22, 2020.

Special notes on cash dividend policy	
Whether it meets the requirements of the Articles of Association (AoA) or the resolutions of general meeting?	Yes
Is the dividend distribution standard and proportion specific and clear?	Yes
Are relevant decision-making procedures and mechanisms complete?	Yes
Have the independent directors performed their duties and fulfilled their due roles?	Yes
Do the minority shareholders have the chance to fully express their opinions and demands, and are their legal rights and interests fully protected?	Yes
Are the conditions and procedures normative and transparent in case of adjustments or changes of the cash dividend policy?	Yes

Common stock dividend distribution scheme (plan) and share capital increase from capital surplus scheme (plan) in the past 3 years (including the reporting period)

The Company's cash dividends distribution scheme in 2020: The Company distributed cash dividends of RMB 25.80 (tax inclusive) for every 10 shares and totaling RMB 10.015 billion in cash.

The Company's cash dividends distribution scheme in 2019: The Company distributed cash dividends of RMB 22 (tax inclusive) for every 10 shares and totaling RMB 8.54 billion in cash.

The Company's cash dividends distribution scheme in 2018: The Company distributed cash dividends of RMB 17 (tax inclusive) for every 10 shares and totaling RMB 6.599 billion in cash.

Common stock cash dividends of the Company in the past 3 years (including the reporting period)

Unit: RMB Yuan

Year of dividends	Cash dividends (tax inclusive)	Net profit attributable to common stockholders of the listed company in the annual consolidated statement in the year of dividends	Ratio of cash dividends to net profit attributable to common stockholders of the listed company in the consolidated statement	Cash dividends in other forms (such as share repurchase)	Ratio of cash dividends in other forms to net profit attributable to common stockholders of the listed company in the consolidated statement	Total cash dividends (including those in other forms)	Ratio of total cash dividends (including those in other forms) to net profit attributable to common stockholders of the listed company in the consolidated statement
Year 2020	10,014,548,652.90	19,954,809,594.52	50.19%	0.00	0.00%	10,014,548,652.90	50.19%
Year 2019	8,539,537,611.00	17,402,164,190.16	49.07%	0.00	0.00%	8,539,537,611.00	49.07%
Year 2018	6,598,733,608.50	13,384,246,683.60	49.30%	0.00	0.00%	6,598,733,608.50	49.30%

The Company achieved profit within the reporting period and the parent company's attributable profit to common stockholders was positive, but no common stock cash dividend distribution plan was proposed

Applicable  Not applicable

## II. Profit distribution and transferring capital reserve to capital stock during the reporting period

Applicable  Not applicable

Bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (tax inclusive)	25.80
Increase shares per 10 shares (shares)	0
Equity base of distribution plan (shares)	3,881,608,005
Cash dividend (RMB) (tax inclusive)	10,014,548,652.90
Cash dividend in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	10,014,548,652.90
Distributable profit (RMB)	40,220,101,761.18
Ratio of total cash dividends (including those in other	100%

forms) to total distributable profit	
Cash dividend distribution in this period	
Should the Company be in a growing stage and have major capital expenditure arrangements, the cash dividend should account for a minimum of 40% of the profit distribution when the profit is distributed.	
Notes on details of profit distribution plan or plan for transferring capital reserve into capital stock	
The Company's cash dividends distribution scheme in 2020: Based on the total capital stock on the equity registration date when the Company implemented the profit distribution scheme, the Company distributed cash dividends of RMB 25.80 (tax inclusive) for every 10 shares and distributed totally RMB 10,014,548,652.90 in cash. No bonus share was distributed and no capital reserve was transferred to capital stock in current year.	

### III. Performance in fulfilling commitments

#### 1. Commitments fulfilled within and not fulfilled by the end of the reporting period by the Company's actual controller(s), shareholders, related parties, acquirer(s) and other commitment parties

Applicable    Not applicable

The Company disclosed the Notice on Commitments Concerning Non-Public Offering of Shares on April 19, 2018, which disclosed the commitments of the Company, directors, controlling shareholders, actual controller(s) and directors and officers participating the ESOP on five aspects. During the reporting period, the above-mentioned commitment makers had all strictly fulfilled the commitments.

#### 2. In case the Company's asset or project has profit forecast, and the reporting period is still in forecasting period, the Company shall make a statement about the asset or project reaching the original expectation and the reasons thereof.

Applicable    Not applicable

### IV. Non-operating occupation of funds of the listed companies by controlling shareholders and their related parties

Applicable    Not applicable

The Company had no non-operating occupation of funds of the listed companies by controlling shareholders and their related parties during the reporting period.

### V. Note on the board of directors, the board of supervisors and independent directors (if any) on the "non-standard audit report" of the accounting firm during the reporting period

Applicable    Not applicable

### VI. Note on changes in accounting policy, accounting estimates and accounting methods compared with the financial report of the previous fiscal year

Applicable    Not applicable

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

Applicable    Not applicable

Content and reason of changes in accounting policy	Approval procedures	Remarks
On July 5, 2017, the Ministry of Finance issued the <i>Accounting Standards for Business Enterprises No. 14 - Revenue (CK (2017) No.22)</i> , (hereinafter referred to as the "New Revenue Standards"), requiring enterprises which were simultaneously listed abroad and at home and which were listed abroad and prepared their financial statements according to the International Financial Reporting Standards (IFRS) or the Accounting Standards for Business Enterprises (ASBE) to implement such standards since January 1, 2018; and other domestic listed companies to implement such standards since January 1, 2020.		According to the provisions for transition from the old standards to the new standards, information of the comparable period is not adjusted, and the beginning retained earnings or other comprehensive income of the reporting period will be adjusted retroactively for the difference between the new standards and the original standards on the date of initial implementation. Refer to the Note "V. Significant accounting policy and accounting estimates, 27, (3) Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new revenue standards" for details about impact on the Financial Statements 2019

**(2) Changes in significant accounting estimates**

Applicable  Not applicable

**(3) Adjustment of relevant items in financial statements at the beginning of the initial implementation year as a result of initial implementation of new revenue standards from 2020**

Item	Balance sheet			
	December 31, 2019	Reclassification	Remeasurement	January 1, 2020
Accounts received in advance	12,530,706,854.77	-12,508,924,058.07		21,782,796.70
Contract liability		11,078,218,239.27		11,078,218,239.27
Other current liabilities		1,430,705,818.80		1,430,705,818.80

**(4) Note on comparison data before the retrospective adjustments due to initial implementation of new revenue standards from 2020**

Applicable  Not applicable

**VII. Note on rectification of major accounting error in the reporting period which needs to be tracked and restated**

Applicable  Not applicable

The Company had no rectification of major accounting error in the reporting period which needs to be tracked and restated during the reporting period.

**VIII. Note on changes in the scope of consolidated financial statements compared with the financial report of the previous year**

Applicable  Not applicable

On April 15, 2020, the Company and Wuliangye Group Company, as reviewed and approved by the 72nd meeting of the fifth board of directors of the Company, jointly funded and established "Sichuan Wuliangye New Retail Management Co., Ltd.", of which the registered capital was RMB 100 million. The Company contributed RMB 90 million, taking up 90% of the registered capital; Wuliangye Group contributed RMB 10 million, taking up 10% of the registered capital; and Sichuan Wuliangye New Retail Management Co., Ltd. is included in the consolidation scope of the Company since its establishment.

## IX. Appointment and dismissal of accounting firms

Accounting firm currently appointed

Name of Chinese accounting firm	Sichuan Huaxin (Group) CPA (LLP)
Remuneration of Chinese accounting firm (RMB '0,000)	1.32 (excluding internal control and audit fee)
Term of auditing services of Chinese accounting firm	20
Name of the CPAs of Chinese accounting firm	Li Min, Liu Jun, Ye Juan
Term of auditing services of the CPAs of Chinese accounting firm	The 5th year of Mr. Li Min, the 3rd year of Mr. Liu Jun, 1st year of Ms. Ye Juan

Has the accounting firm been changed in current period?

Yes  No

Appointment of internal control audit accounting firm, financial advisor or sponsor

Applicable  Not applicable

The Company continued to appoint "Sichuan Huaxin (Group) CPA (LLP)" as the internal control and audit organization of the Company in 2020 at the cost of RMB 600,000.

## X. Delisting confronted upon disclosure of the annual report

Applicable  Not applicable

## XI. Bankruptcy reorganization

Applicable  Not applicable

The Company had no bankruptcy reorganization during the reporting period.

## XII. Major litigation and arbitration matters

Applicable  Not applicable

The Company had no major litigation and arbitration matters during the reporting period.

## XIII. Punishment and rectification

Applicable  Not applicable

The Company had no punishment or rectification during the reporting period.

## XIV. Credit conditions of the Company, its controlling shareholders and actual controllers

Applicable  Not applicable

The Company, its controlling shareholders and actual controllers had good credit conditions during the reporting period.

## **XV. Implementation of the Company's equity incentive plan, ESOP or other employee incentive measures**

Applicable  Not applicable

The 11th meeting of the 5th board of directors of the Company held on October 30, 2015 and the annual general meeting of 2015 held on June 22, 2016 reviewed and approved the Proposal for the First Phase of Employee Stock Ownership Plan (ESOP) of Wuliangye Yibin Co., Ltd. (Draft) (Subscription in Non-Public Offering of Shares) and its Summary, approving the Company to implement the ESOP.

The shares issued by non-public offering for the Company's ESOP were issued and listed on April 20, 2018. In August, the Company held the 1st meeting of shareholders participating the ESOP and set up the management committee of the ESOP (Phase I). Participants of the ESOP included directors, supervisors, senior management, and other employees of the Company, 2,428 persons in total, and subscribed 23,696,280 shares, taking up 0.61% of total capital stock of the Company.

At the end of the reporting period, current directors, supervisors and senior management of the Company (Li Shuguang, Zou Tao, Wu Guoping, Cao Hongying, Zhu Zhongyu, Tang Bochao, Tang Shengyun, Luo Wei, Zhao Dong and Peng Zhifu) participating the ESOP indirectly held 1,293,323 shares through the Guotai Junan Fund Management Plan (excluding retired senior management), taking up about 1.51% of the shares issued through non-public offering. At present, the management committee of the ESOP is composed of 30 persons, including 1 director and 1 deputy director. There was no change during the reporting period.

## **XVI. Major related transactions**

### **1. Related transactions related to daily operation**

Applicable  Not applicable

The Company signed the Financial Service Agreement and the Supplemental Agreement to the Financial Service Agreement with the Finance Company on April 12, 2018, March 20, 2019 and April 20, 2020, respectively. The main contents were deposits and loans service. Daily balance of deposits was no more than RMB 32.9 billion in 2020 and daily balance of loans no more than RMB 5 billion in 2020. Refer to "Section XII, XI. Related parties and related transactions, 5. Related transactions (7) Other related transactions" for details about related transactions between the Company and the Finance Company.

### **2. Related transactions arising from the acquisition or sale of assets or equity**

Applicable  Not applicable

The Company had no related transactions arising from the acquisition or sale of assets or equity of the Company during the reporting period.

### **3. Related transactions of joint foreign investment**

Applicable  Not applicable



The Company had no related transactions of joint foreign investment during the reporting period.

#### 4. Current associated rights of credit and liabilities

Applicable  Not applicable

The Company had no current associated rights of credit and liabilities during the reporting period.

#### 5. Other major related transactions

Applicable  Not applicable

The Company had no other major related transactions during the reporting period.

### XVII. Major contracts and their performance

#### 1. Trusteeship, contracting and lease

##### (1) Trusteeship

Applicable  Not applicable

The Company had no trusteeship during the reporting period.

##### (2) Contracting

Applicable  Not applicable

The Company had no contracting during the reporting period.

##### (3) Lease

Applicable  Not applicable

The Company had no lease during the reporting period.

#### 2. Major guarantee

Applicable  Not applicable

The Company had no guarantee during the reporting period.

#### 3. Entrusted cash asset management

##### (1) Entrusted financing

Applicable  Not applicable

The Company had no entrusted financing during the reporting period.

##### (2) Entrusted loan

Applicable  Not applicable

The Company had no entrusted loan during the reporting period.

#### 4. Major contracts for daily operation

Applicable  Not applicable

#### 5. Other major contracts

Applicable  Not applicable

The Company had no other major contracts during the reporting period.

### XVIII. Social responsibility

#### 1. Fulfillment of social responsibility

Refer to the Social Responsibility Report 2020 disclosed by the Company on April 28, 2021.

## 2. Show social responsibility by setting poverty alleviation targets

### (1) Targeted poverty alleviation

Wuliangye has always adhered to the policy of poverty alleviation through development based on the resource endowment and different needs of the supported areas, and according to the idea of "company input, professional operation and sharing among the poor", we run the thinking of corporate governance through the process of help, integrate the market concept into poverty alleviation, adhere to the guidance of party building, take industrial assistance as the core, focus on agricultural base and industrial commercialization, and open up the supply chain and demand chain, strengthen the construction of the talent team for the sustainable development of the supported areas, strive to build a characteristic assistance model of "Wuliangye + characteristic industries + village capital companies + consumer markets + peasant households", and work with the poor to draw a blueprint for a better life and make efforts to help the supported areas to get rid of poverty and become well-off.

### (2) Annual summary on poverty alleviation targets

In 2020, Wuliangye paid close attention to the targets and tasks of poverty alleviation and invested RMB 478 million in poverty alleviation in terms of party building, infrastructure, industry, consumption and education. By establishing the organizational structure of the trinity of "headquarters, staff officer and combat team" for poverty alleviation, Wuliangye did a good job of structure adjustment on the battlefield of poverty alleviation, and built a targeted poverty alleviation model with the characteristics of Wuliangye, helped national-level poverty area such as Litang County of Ganzi Prefecture and Pingshan County of Yibin City to achieve high-quality poverty alleviation.

**Firstly, increase development confidence under the guidance of party building.** Wuliangye insists on "party building leading, inclusive development". The party committee team of the Company leads the team to go deep into the supported area regularly, in order to go to the village to carry out pairing help, strengthen confidence of masses, talk about both development and domestic trivia with masses, and solve their practical difficulties. In Qingshanyan Village, Xingwen County, Wuliangye built a party and mass activity center that integrates "party building propaganda", "homes of the masses" and "provincialism trees", so as to further serve the masses, gather popular feelings, and inspire drive. In Litang County, the joint party branch of Wuliangye Polar Fruit and Vegetable Lentinus edodes Industrial Base was established, and migrant party members were divided into production and sales party groups to give full play to the fighting bastion role of party organizations, the exemplary vanguard role of party members, and the leading role of leaders in getting rid of poverty and welcoming prosperity, forming an interactive and inclusive situation in which party organizations are built in industry, party members gather in industry, and farmers are rich in industry.

**Secondly, tamp and consolidate the foundation, and resolve the difficult problems of**

**development.** Wuliangye strives to continuously optimize the conditions of rural production and living facilities, improve the basic public service system, and consolidate the foundation of local economic development by virtue of the construction of road facilities, rural housing insurance and village-level projects. 1) support the construction of rural roads. In 2020, RMB 199 million was invested in building the "Wuliangye Rural Revitalization Industry Road" to achieve a happy ending of poverty alleviation, so as to provide a "smooth, comfortable and beautiful" development environment for rural revitalization. 2) promote the improvement of the living environment. Donated RMB 700,000 to support Jie Ji Village in Pingshan County, focusing on promoting the construction of village-level projects such as village appearance improvement, maintenance and reinforcement projects, and supporting facilities of the "1+6" activity center; Donated RMB 1 million to help farmers' houses in Litang County participate in insurance, and established a mechanism to protect the personal property of 10,000 farmers and herdsmen; Donated RMB 18.58 million of materials to solve the problem of transportation inconvenience and difficulties in the deep poverty-stricken areas of Ganzi Prefecture, Liangshan Prefecture and Aba Prefecture.

**Thirdly, empower production and marketing and achieve vigorous development of the industry.** According to the industrial assistance principle of "taking measures according to local conditions, implementing policies according to households, and varies from person to person", Wuliangye constructs the model of "Wuliangye + characteristic industrial base + peasant household" and "Wuliangye + village collective economic organization + peasant household" to develop industries with local characteristics to enrich the people and realize the "multiplier effect" that serves the overall situation of economic and social development. 1) deepen the construction of characteristic bases. In Xingwen County and Litang County, Wuliangye comprehensively enhanced the demonstration and leading role of bamboo industry base and lentinus edodes industry base, drove the village collective economy to achieve sales revenue of more than RMB 18 million, and distributed dividends to the masses of more than RMB 2.1 million. 2) support the development of local industries. Donated RMB 600,000 to help 3,100 farmers purchase iron farm tools, break the plight of spring ploughing of peasant household in Litang County; Donated RMB 500,000 to support the construction of the cultural and tourism project in Litang County, helping the Litang cultural and tourism industry to a new level. 3) broaden the product marketing channels. By setting up Wuliangye poverty alleviation counters within the Company, high-speed service areas and supermarket, holding trade fairs of poverty alleviation products at the end of the year and the beginning of the year, carrying out centralized procurement in important festivals such as the Spring Festival and Mid-Autumn Festival, and employees' regular "purchasing instead of donation", launching "China Poverty Alleviation products 832" and "Wuliangye Family" and other e-commerce platforms, a "grading, classification, invitation, go out" online and offline

omni-directional marketing system was built. In the whole year, "purchasing instead of donation" poverty alleviation products totaled more than RMB 32 million. At present, Wuliangye has effectively increased the collective economic income of the village by more than RMB 18 million, and the per capita income of poor households has increased by more than RMB 10,000.

**Fourthly, break down barriers and resolve resistance occurred during development.** The Company plays a combination of "education and training", so that students from poor families can "go to school and afford to go to school", and poor farmers "have strong points and become rich". 1) support the development of education. Donated more than RMB 12 million to help build an information network school in Litang County, set up an education fund for poor areas, subsidize poor students, and vigorously improve the quality of teaching in the supported areas. 2) carry out technical skills training. Poverty alleviation cadres have been rooted in the front line of poverty alleviation for a long time, organized more than 40 night schools for farmers and herdsmen, led farmers to participate in the operation and management of village collective industries, and carried out practical training to cultivate skills and enhance their ability to become rich.

In the next step, Wuliangye will strictly implement the requirements of the "Take off the hat without taking off responsibility, policy, help or supervision" in accordance with the decisions and arrangements of the provincial party committee and provincial government, continue to give full play to the Company's multi-dimensional diversified industry platform advantages, and promote the sustainable development and growth of the collective economy in poverty-free counties and villages, consolidate the achievements of poverty alleviation, stimulate the endogenous driving force, and contribute Wuliangye's strength to effectively link up with rural revitalization.

### (3) Targeted poverty alleviation effect

Index	Unit of measurement	Quantity/performance
I. General situation	—	—
Including:		
1. Funds	RMB '0,000	47,803.26
2. Amount converted from materials	RMB '0,000	18.87
II. Input by items	—	—
1. Industrial development poverty alleviation	—	—
Including:		
1.1 Type of industrial development poverty alleviation project	—	Agriculture and forestry industries poverty alleviation
1.2 Number of industrial development poverty alleviation project	Piece	5

1.3 Amount invested for industrial development poverty alleviation project	RMB '0,000	44,556.26
2. Transfer employment poverty alleviation	—	—
2.2 Number of attendees of vocational skill training	Person-time	532
2.3 Number of employment of the poor under the help of the Company	Person	40
3. Poverty alleviation relocation	—	—
Including: 3.1 Number of employment of relocated household under the help of the Company	Person	30
4. Educational poverty alleviation	—	—
Including:		
4.1 Amount invested for funding poor students	RMB '0,000	259.4
4.2 Number of poor students receiving fund	Person	48
4.3 Amount for improving educational resources of impoverished areas	RMB '0,000	219
5. Health poverty alleviation	—	—
Including: 5.1 Amount invested for medical and health resources of impoverished areas	RMB '0,000	40
6. Ecological protection poverty alleviation	—	—
7. Subsistence allowance	—	—
8. Social poverty alleviation	—	—
8.2 Amount for fixed-point poverty alleviation	RMB '0,000	9,569.55
9. Other projects	—	—
III. Awards received (content, level)	—	—
		Wuliangye won the "Top 50 cases of Poverty Alleviation by Social Organizations", "Top 50 Comprehensive cases of accurate Poverty Alleviation by Enterprises" of the Poverty Alleviation Office of the State Council, "Advanced fixed-point poverty alleviation Provincial Units in 2019" by the Sichuan Provincial Party Committee and Government, "Excellent cases of Poverty Alleviation in China" by the People's Daily, "2020 responsibility Golden Bull-Precision Poverty Alleviation Award" of China Social responsibility 100 Forum and other honors.

#### (4) Subsequent targeted poverty alleviation plan

Wuliangye will always stay under the guidance by Xi Jinping's thought of socialism with Chinese characteristics in the new era, comprehensively promote rural revitalization unswervingly in accordance with the central and provincial party committees, speed up the work deployment of agricultural and rural modernization, and strictly implement the requirements of the "Take off the hat without taking off responsibility, take off the hat without taking off the policy, take off the hat without taking off help, and take off the hat without taking off supervision", adhere to "Do not close out the booth, do not cast off burden, and never stop". In the new journey of building a modern socialist country in an all-round way, Wuliangye will help consolidate and expand the achievements of poverty alleviation and effectively link up with the revitalization of rural areas, constantly promote the development of characteristic industries in poverty-free areas, and extensively carry out the docking activities of production and marketing of agricultural products, strengthen the ranks of rural talents in poverty-free areas, enhance the ability of rural governance in poverty-free areas, and take practical measures to promote high-quality and efficient agriculture, suitable living and industry in rural areas and farmers being rich so as to make new contributions to building a modern socialist country in an all-round way by a good start to achieve the goal of the second centenary.

### 3. Conditions related to environmental protection

Whether the listed company and its subsidiaries are key pollutant discharging units announced by environmental protection authorities

Yes  No

Voluntary disclosure

Name of the Company or subsidiaries	Name of main pollutants and characteristic pollutants	Emission Means	Number of outlets	Outlets Distribution	Emission concentration	Pollutant emission standard observed	Total emissions	Total emissions approved	Excessive emission
Company	COD	Organized continuous emission	2	Wuliangye ecological wetland outlet, 503 workshop waste water discharge outlet	19.53mg/L	Emission Standard of Water Pollutant for Minjiang River and Tuojiang River Basin (DB51/2311-2016) Table 1	75 tons	198 tons	Non-excessive
	Ammonia nitrogen				0.38mg/L		1.6 tons	14.85 tons	Non-excessive
	Total phosphorus				0.21mg/L		0.8 tons	2.48 tons	Non-excessive
	Total nitrogen				5.70mg/L		22.09 tons	74.25 tons	Non-excessive
	Sulfur dioxide	Organized intermittent emission	26	Natural gas boiler outlet	3-7mg/Nm <sup>3</sup>	Emission Standard of Air Pollutants for Boiler (GB13271-2014)	14.02 tons	Not applicable	Non-excessive
	Particulates	Organized intermittent emission	26	Natural gas boiler outlet	2.8-6.65mg/Nm <sup>3</sup>	Emission Standard of Air Pollutants for Boiler (GB13271-2014)	13 tons	Not applicable	Non-excessive

	Nitrogen oxide	Organized intermittent emission	26	Natural gas boiler outlet	51-68.89mg/Nm <sup>3</sup>	Emission Standard of Air Pollutants for Boiler (GB13271-2014)	149.1 tons	789.65 tons	Non-excessive
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### (1) Construction and operation of pollution-control facilities

The Company has 3 wastewater pretreatment stations and 1 wastewater advanced treatment zone in the Jiangbei industrial park, using biochemical treatment and Fenton treatment technology for wastewater treatment with a daily treatment capacity of 10,000 tons and are under good condition.

At present, the Company has built 15 natural gas boilers (20t/h) in the Jiangbei industrial park and put them into operation, which adopt the advanced low NOX combustion technology of first-line brands of German and are under good condition.

### (2) Environmental impact assessment on construction project and other environmental administrative licenses

The new, renovation and expansion projects of the Company all met the requirements of laws and regulations such as the national environmental protection law and the environmental impact assessment law, went through the environmental impact assessment and approval process before commencement, and carried out environmental protection acceptance after completion.

### (3) Contingency Plan for Environmental Emergencies

The Company has formulated the *Comprehensive Contingency Plan for Environmental Emergencies of Wuliangye Yibin Co., Ltd.*, which has been filed with Yibin Environmental Protection Bureau after expert review. On November 6, 2020, the Company carried out the "2020 Emergency Drill for Environmental Emergencies", which tested the emergency response, the effectiveness of response measures and the organization and coordination ability under emergency situations, and laid a solid foundation for the construction of the Company's emergency response system.

### (4) Environment self-monitoring scheme

According to the requirements of the document *Self-monitoring and Information Disclosure Measure for National Key Monitoring Enterprises (Trial)* (HF [2013] No. 81), the Company disclosed its self-monitoring scheme, annual report and self-monitoring data to the society on the Pollutant Source Monitoring Information Management and Sharing Platform of Sichuan Province. From January to December 2020, the Company disclosed totally 76,901 pieces of self-monitoring data.

The Company, through its official website, disclosed basic information, drainage information, construction and operation of pollution preventing and controlling facilities, environmental impact assessment on construction project, and other environmental administrative licenses, contingency plan for environmental emergencies, and annual self-monitoring scheme and report of the Company to the society on a monthly basis.

### (5) Other environmental information to be disclosed

None.

**(6) Other information related to environmental protection**

① Wuliangye has firmly established the concept of “lucid waters and lush mountains are invaluable assets”, incorporated the concept of green development into the entire production process and implemented the environmental protection responsibilities into all aspects of the Company. Established a sound responsibility system for environmental protection of the Party and government leading body and members and departments to clarify the responsibility for environmental protection.

② An Environmental Management Committee was set up, with the Chairman of the Company as the Director, senior management as the Deputy Director and the first responsible person of the relevant units as members, to coordinate and organize the implementation of the Company's environmental protection work in general. An Energy and Environmental Protection Management Department was set up, which is specifically responsible for the supervision of the implementation of environmental protection work; an ecological environment inspection team was set up, which is responsible for the supervision of the implementation of the ecological civilization construction in all units of the Company; an environmental monitoring station was built, which is specifically responsible for the thematic monitoring of pollutants emitted by all units; an environmental protection industry limited company was set up, which is responsible for the "Three Wastes".

③ The Company actively promoted green projects

The Company fully carried out the construction of the coal-to-gas project to replace coal with clean natural gas as a fuel for energy supply. The natural gas boilers adopt the advanced low-NO<sub>x</sub> combustion technology of Saacke and Weishaupt, and at present, 15 horizontal type condensing natural gas boilers (20t/h) have been built and put into operation.

Completion of the Songgong River (Wuliangye Section) Comprehensive Treatment Project, including environmental protection ecological wetland construction, river wetland construction, Songgong River channel cleanout and vegetation restoration on both sides, integrating landscape function, demonstration function, pollution control function, become Wuliangye environmental protection image window and industry demonstration benchmark.

④ In 2020, the Company treated 3.78 million tons of wastewater and the exhaust emission was about 1.6 billion cubic meters, with 100% up-to-standard discharge/emission.

⑤ There was no environmental pollution accident in 2020.

⑥ The comprehensive use of discarded lees was 460,000 tons in 2020 and 1.31 million cubic metres of recycled water were used throughout the year.

**XIX. Note on other major events**

Applicable  Not applicable

The Company had no other major events to be explained during the reporting period.

**XX. Major events of subsidiaries**

Applicable  Not applicable



The Company held the 71st meeting of the 5th board of directors by circulation and communication on March 30-31, 2020 and reviewed and approved the proposals for the change of domicile of certain wholly-owned subsidiaries and holding subsidiaries of the Company and the amendments to the Articles of Association, as detailed in the Notice of Resolutions of the 71st Meeting of the 5th Board of Directors disclosed by the Company on April 3, 2020 (2020/No. 002).

## Section VI Changes in Shares and Shareholders

### I. Change in shares

#### 1. Change in shares

Unit: Share

	Before this change		Increase/decrease (+, -)					After this change	
	Quantity	Proportion	Issuance of new shares	Bonus share	Capitalization of public reserve fund	Others	Sub-total	Quantity	Proportion
I. Restricted shares	85,850,037	2.21%				-28,302	-28,302	85,821,735	2.21%
1. State shareholding									
2. State-owned legal person shareholding									
3. Other domestic shareholding	85,850,037	2.21%				-28,302	-28,302	85,821,735	2.21%
Including:									
Domestic legal person shareholding	85,641,285	2.21%						85,641,285	2.21%
Domestic natural person shareholding	208,752	0.00%				-28,302	-28,302	180,450	0.00%
4. Foreign shareholding									
Including: Overseas legal person shareholding									
Overseas natural person shareholding									
II. Unrestricted shares	3,795,757,968	97.79%				28,302	28,302	3,795,786,270	97.79%
1. Common share (in RMB)	3,795,757,968	97.79%				28,302	28,302	3,795,786,270	97.79%
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Sum of shares	3,881,608,005	100.00%				0	0	3,881,608,005	100.00%

Reasons for change in shares

 Applicable    Not applicable

During the reporting period, it was caused by the combined effect of the release of locked-up shares of the resigned officers of the Company and changes in the directors, supervisors and officers.

Approval of changes in shares

 Applicable    Not applicable

Transfer of share changes

 Applicable    Not applicable

Implementation progress of share repurchase

Applicable  Not applicable

Implementation progress of reducing repurchased shares by centralized competitive bidding

Applicable  Not applicable

Impact of share changes on the basic earnings per share, diluted earnings per share, net assets per share attributable to common shareholders of the Company and other financial index in the most recent year and the most recent period

Applicable  Not applicable

Other information the Company deems necessary or required by the securities regulatory authorities to disclose

Applicable  Not applicable

## 2. Changes in restricted shares

Applicable  Not applicable

Unit: Share

Name of shareholder	Beginning number of restricted shares	Number of restricted shares increased in current period	Number of restricted shares released in current period	Ending number of restricted shares	Reason for being restricted	Date of release
Liu Zhongguo	51,800		51,800	0	Release of lock-up due to resign of officer	20200326
Chen Lin	73,643	24,548		98,191	Lock-up due to resign of officer	20210531
Qiu Ping	1,500		1,500	0	Release of lock-up due to resign of supervisor	20201127
Cao Hongying	0	2,325		2,325	Lock-up due to the new supervisor	Enforcement of restrictions on the sale to directors, supervisors and officers during their term of office
Total	126,943	26,873	53,300	100,516	--	--

## II. Securities issuance and listing

### 1. Securities issuance (excluding preferred shares) during the reporting period

Applicable  Not applicable

### 2. Note on changes in the total shares, shareholder structure, asset and liability structure of the Company

Applicable  Not applicable

### 3. Existing internal employee shares

Applicable  Not applicable

## III. Shareholders and actual controller(s)

### 1. Number and shareholding of shareholders of the Company

Unit: Share

Total common shareholders at the end of the reporting period	353,582	Total common shareholders at the end of the previous month before the disclosure date of the Annual Report	421,559	Total preferred shareholders with voting rights restored (if any) at the end of the reporting period (see Note 8)	0	Total preferred shareholders with voting rights restored (if any) at the end of the previous month before the disclosure date of the reporting period (see Note 8)	0	
Shareholders holding more than 5% shares or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding Proportion	Number of shares held at the end of the reporting period	Increase or decrease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledge or freezing	
							Status	Quantity
Yibin State-Owned Assets Operation Co., Ltd.	State-owned legal person	34.43%	1,336,548,020			1,336,548,020		
Sichuan Yibin Wuliangye Group Co., Ltd.	State-owned legal person	20.40%	791,823,343			791,823,343		
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	6.17%	239,633,100			239,633,100		
China Securities Finance Corporation Limited	Others	2.38%	92,385,936			92,385,936		
Central Huijin Asset Management Co., Ltd.	State-owned legal person	1.04%	40,192,100			40,192,100		
China Life Insurance Company Limited - Traditional - Ordinary Insurance Product-005L-CT001 Shenzhen	Others	0.86%	33,193,162			33,193,162		
Wuliangye Yibin Co., Ltd. - Employee Stock Ownership Plan (Phase I)	Others	0.61%	23,696,280		23,696,280			
Bank of China Limited - E Fund Blue Chip Hybrid Securities Investment Fund	Others	0.56%	21,858,499			21,858,499		
Bank of China Limited - CMF CSI White Spirit Index Classification Securities Investment Fund	Others	0.54%	21,116,521			21,116,521		
Shanghai Guotai Junan	Others	0.50%	19,414,047		19,414,047			

Securities Asset Management Co., Ltd. - Bank of China-Guotai Junan Junxiang Wuliangye No.1 Collective Asset Management Plan								
Explanations about the association relationship or concerted action among the above-mentioned shareholders	Among the top 10 shareholders of the Company, Sichuan Yibin Wuliangye Group Co., Ltd. is a wholly-owned subsidiary of Yibin Development Holding Group Co., Ltd., and it is unclear whether other public shareholders have any association relationship or acting in concert.							
Shareholding of top 10 shareholders with unrestricted shares								
Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Class of share						
		Class of share	Quantity					
Yibin State-Owned Assets Operation Co., Ltd.	1,336,548,020	Common share (in RMB)	1,336,548,020					
Sichuan Yibin Wuliangye Group Co., Ltd.	791,823,343	Common share (in RMB)	791,823,343					
Hong Kong Securities Clearing Co., Ltd.	239,633,100	Common share (in RMB)	239,633,100					
China Securities Finance Corporation Limited	92,385,936	Common share (in RMB)	92,385,936					
Central Huijin Asset Management Co., Ltd.	40,192,100	Common share (in RMB)	40,192,100					
China Life Insurance Company Limited - Traditional - Ordinary Insurance Product-005L-CT001 Shenzhen	33,193,162	Common share (in RMB)	33,193,162					
Bank of China Limited - E Fund Blue Chip Hybrid Securities Investment Fund	21,858,499	Common share (in RMB)	21,858,499					
Bank of China Limited - CMF CSI White Spirit Index Classification Securities Investment Fund	21,116,521	Common share (in RMB)	21,116,521					
Bank of China Limited - E Fund Small Hybrid Securities Investment Fund	13,380,000	Common share (in RMB)	13,380,000					
Industrial and Commercial Bank of China Limited - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund	10,718,419	Common share (in RMB)	10,718,419					
Note on the association relationship or concerted action between top 10 unrestricted public shareholders, and between top 10 unrestricted public shareholders and top 10 shareholders	Among the top 10 shareholders of the Company, Sichuan Yibin Wuliangye Group Co., Ltd. is a wholly-owned subsidiary of Yibin Development Holding Group Co., Ltd., and it is unclear whether other public shareholders have any association relationship or acting in concert.							

Remarks: Yibin State-Owned Assets Operation Co., Ltd. has been renamed as Yibin Development Holding Group Co., Ltd. in February 2021, for details, please refer to the Announcement on the Change of Name of the Controlling Shareholder of the Company issued by the Company on February 22, 2021

(2021/No. 004).

Whether the Company's top 10 common shareholders and top 10 unrestricted common shareholders agreed on a repurchase transaction during the reporting period

Yes  No

The Company's top 10 common shareholders and top 10 unrestricted common shareholders did not agree on a repurchase transaction during the reporting period.

## 2. Controlling shareholders of the Company

Nature of controlling shareholder: local state-owned

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative /head of unit	Date of establishment	Organization code	Primary business
Yibin Development Holding Group Co., Ltd.	Hua Shurui	August 04, 1999	915115007118234259	Capital operation and assets operation within the scope authorized by the People's Government of Yibin City
Equity of other domestic and foreign listed companies controlled and participated by controlling shareholder during the reporting period	Yibin Development Holding Group Co., Ltd. directly holds 131,847,574 shares of Yibin Tianyuan Group Co., Ltd., taking up 16.88%; indirectly holds 79,368,520 shares of Yibin Paper Industry Co., Ltd., taking up 44.87%.			

Change of controlling shareholder during the reporting period

Applicable  Not applicable

There was no change in controlling shareholder of the Company during the reporting period.

## 3. Actual controller of the Company and person acting in concert

Nature of actual controller: local state-owned assets administration

Type of actual controller: legal person

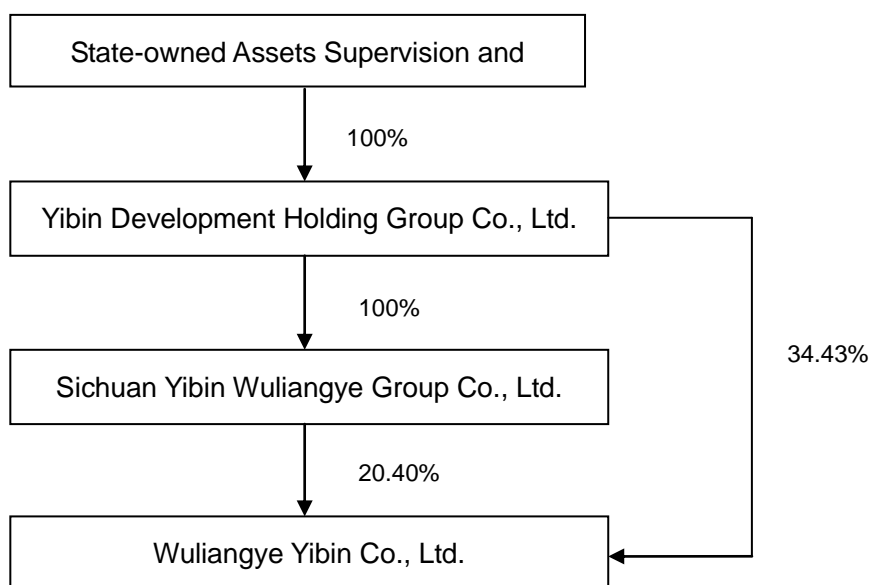
Name of actual controller	Legal representative/head of unit	Date of establishment	Organization code	Primary business
State-owned Assets Supervision and Administration Commission of Yibin Municipal Government	Deng Wenguang	February 24, 2005	Not applicable	Not applicable
Equity of other domestic and foreign listed companies controlled by actual controller during the reporting period	Yibin State-owned Assets Supervision and Administration Commission directly holds 131,847,574 shares of Yibin Tianyuan Group Co., Ltd., taking up 16.88%; indirectly holds 79,368,520 shares of Yibin Paper Industry Co., Ltd., taking up 44.87%.			

Change of actual controller during the reporting period

Applicable  Not applicable

There was no change in actual controller of the Company during the reporting period.

Block diagram of equity and control relationship between the Company and actual controller



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

Applicable  Not applicable

#### 4. Other legal person shareholders holding more than 10%

Applicable  Not applicable

Name of legal person shareholder	Legal representative /head of unit	Date of establishment	Registered capital (RMB)	Primary business or management activities
Sichuan Yibin Wuliangye Group Co., Ltd.	Li Shuguang	August 12, 1998	1,000,000,000	Investment and investment management, assets management, enterprise management service

#### 5. Restricted share reduction of controlling shareholder, actual controller, reorganizer and other commitment makers

Applicable  Not applicable

## **Section VII Preferred Share**

Applicable  Not applicable

The Company had no preferred shares during the reporting period.

## **Section VIII Convertible Corporate Bonds**

Applicable  Not applicable

The Company had no convertible bonds during the reporting period.



## Section IX Directors, Supervisors, Senior Management and Employees

### I. Changes in shareholdings of directors, supervisors, and senior management

Name	Position	Status of service	Gender	Age	Date of appointment	Date ceasing to hold office	Number of shares held at the beginning of the period (share)	Increase in number of shares held in current period (share)	Decrease in number of shares held in current period (share)	Other increase/decrease (share)	Number of shares held at the end of the period (share)
Zeng Congqin	Deputy Secretary of CPC, President	Incumbent	Male	52	September 27, 2019	Till now					
Li Shuguang	Secretary of CPC, Director	Incumbent	Male	58	April 21, 2017	Till now					
Zou Tao	Member of CPC, Director, Executive Deputy General Manager	Incumbent	Male	42	July 21, 2018	Till now					
Jiang Wenge	Member of CPC, Director	Incumbent	Male	54	May 10, 2019	Till now					
Fu Nanping	Independent Director	Incumbent	Male	59	July 18, 2014	Till now					
Zhou Yousu	Independent Director	Incumbent	Male	68	June 22, 2016	Till now					
Gan Shengdao	Independent Director	Incumbent	Male	54	November 18, 2016	Till now					
Liu Feng	Supervisor	Incumbent	Female	51	May 29, 2020	Till now					
Yang Ling	Supervisor	Incumbent	Female	34	May 29, 2020	Till now					
Wu Guoping	Employee Supervisor	Incumbent	Male	51	June 09, 2015	Till now					
Cao Hongying	Employee Supervisor	Incumbent	Female	54	June 5, 2020	Till now	3,100				3,100

Zhu Zhongyu	Member of CPC, Deputy General Manager	Incumbent	Male	57	July 18, 2014	Till now	11,501				11,501
Tang Bochao	Member of CPC, Deputy General Manager	Incumbent	Male	56	July 18, 2014	Till now	20,000				20,000
Tang Shengyun	Member of CPC, Deputy General Manager	Incumbent	Male	58	July 18, 2014	Till now	9,100				9,100
Luo Wei	Member of CPC, Deputy General Manager, Chief Financial Officer	Incumbent	Male	56	July 18, 2014	Till now					
Zhao Dong	Member of CPC, Deputy General Manager, Deputy Chief Engineer	Incumbent	Male	56	July 21, 2018	Till now					
Total	--	--	--	--	--	--	43,701				43,701

## II. Change of directors, supervisors and senior management of the Company

√ Applicable   □ Not applicable

Name	Position	Type	Date	Reason
Chen Lin	Deputy Secretary of CPC, Director, General Manager, Chief Engineer	Resigned	November 27, 2020	Retired as director and senior management due to reaching the mandatory age for retirement
Ren Shiming	Supervisor	Resigned	May 29, 2020	Ceased to be a supervisor due to appointment and dismissal by the general meeting
Qiu Ping	Supervisor	Resigned	May 29, 2020	Ceased to be a supervisor due to appointment and dismissal by the general meeting
Yang Yunxia	Employee Supervisor	Resigned	June 6, 2020	Ceased to be an employee supervisor due to appointment and dismissal by the congress of workers and staff
Liu Feng	Supervisor	Appointment and dismissal	May 29, 2020	Take the position of supervisor as appointed and dismissed by the general meeting
Yang Ling	Supervisor	Appointment and dismissal	May 29, 2020	Take the position of supervisor as appointed and dismissed by the general meeting
Cao Hongying	Employee Supervisor	Appointment and dismissal	June 6, 2020	Take the position of employee supervisor as appointed and dismissed by the congress of workers and staff

Remarks: 1. On June 6, 2020, the board of supervisors of the Company nominated Mr. Jiang Wenchun as the candidate for supervisor of the 5th board of supervisors of the Company, which had to be submitted to the general meeting for consideration.

2. On August 25, 2020, the board of directors of the Company nominated Ms. Jiang Lin as the candidate for non-independent director of the 5th board of director of the Company and nominated Mr. Xie Zhihua, Mr. Wu Yue and Mr. Lang Dingchang as the candidates for independent directors of the 5th board of director of the Company, which had to be submitted to the general meeting for consideration.

## III. Service status

Professional background, main work experience and main responsibilities currently in the Company of current directors, supervisors and senior management of the Company

1. Mr. Zeng Congqin, doctor's degree. He began to work in July 1988 and successively served in Changning County of Yibin, municipal authorities, and Cuiping District. He once served as a member of the Standing Committee, Director of the Propaganda Department, and Executive Deputy County Chief of Changning County, Director of the Development Planning and Investment Service Bureau of Yibin Lingang Economic Development Zone, Secretary of the Party Leadership Group and Director of Yibin Municipal Development and Reform Commission and Director of Municipal Price Bureau, Director of Yibin Municipal Bureau of Energy, and Secretary of Cuiping District Party Committee. At present, he serves as the Deputy Secretary of CPC and Director of the Company, and Deputy Secretary of CPC and

General Manager of the Group Company.

2. Mr. Li Shuguang, bachelor degree, senior economist. He began to work in July 1983 and successively served the Sichuan Provincial Machinery Industry Department, Sichuan Provincial Planned Economy Committee, Sichuan Provincial Economic Commission, Sichuan Provincial Economic and Trade Commission, Sichuan Provincial Economic Commission, and Sichuan Provincial Economic and Information Commission. He once served as Assistant Mayor of Luzhou People's Government, Chairman of Board of Supervisors of State-owned Enterprises of Sichuan Provincial Government, Chief Economist of Sichuan Provincial Economic and Information Commission, Deputy Secretary of the Leading Party Group and Deputy Director of Sichuan Provincial Economic and Information Commission. At present, he serves as the Secretary of CPC and Director of the Company, and Secretary of CPC and President of the Group Company.

3. Mr. Zou Tao, master degree. He began to work in July 2004 and once served the Economic Investigation Department of Sichuan Provincial Public Security Department, Sichuan Provincial Discipline Inspection Commission, and Sichuan Provincial Department of Supervision. He once served as the Deputy Director of No. 4 Office of Discipline Inspection and Supervision and Director of the No.2 Office of Discipline Inspection and Supervision of Sichuan Provincial Discipline Inspection Commission. In January 2017, he served as the Deputy Secretary of CPC of the Group Company. He now serves as Member of CPC, Director, and Executive Deputy General Manager of the Company, and Member of CPC and Vice President of the Group Company, and concurrently as President of Wuliang NongXiang Series Baijiu Yibin Co., Ltd.

4. Mr. Jiang Wenge, master degree. He began to work in August 1985 and once served in Peng'an County and Shunqing District of Nanchong City, Sichuan, and Sichuan Provincial Development and Reform Commission, and Welfare-to-work Office of Sichuan Province. He once served as Deputy Head of Shunqing District Government, Deputy Director of Employment and Income Distribution Office, Deputy Director of Division of Rural Economy, and Director of Division of Rural Economy of Sichuan Provincial Development and Reform Commission, and the Deputy Director and Primary Investigator of Welfare-to-work Office of Sichuan Province. He now serves as Member of CPC and Director of the Company, and Member of CPC, Director and Deputy General Manager of the Group Company.

5. Mr. Fu Nanping, doctor's degree. He began to work in September 1985 and once served the Office of Science and Technology of Nanchang Aircraft Manufacturing Company, and successively served as Deputy Manager of Issuance Department of SDIC Securities Co., Ltd (Guosen Securities), Deputy General Manager of Investment Bank Headquarter, Junan Securities Co., Ltd., General Manager of Investment Bank Department II, Deputy Director of Corporate Financing Headquarter, and Deputy General Manager of Shenzhen Headquarter of Guotai Junan Securities Co., Ltd. He now serves as the Business Inspector and Supervisor of Guotai Junan Securities Co., Ltd. and Independent Director of the

Company.

6. Mr. Zhou Yousu, bachelor degree, professor. He began to work in July 1983 and once served Sichuan Academy of Social Sciences and Meigu County Committee of Sichuan Province. He now serves as researcher and professor of Sichuan Academy of Social Sciences and Independent Director of the Company, as well as the Independent Director of Chengdu Huasun Technology Group Inc., Ltd.

7. Mr. Gan Shengdao, doctor's degree. He has been working on the teaching and scientific research of financial management and accounting at Sichuan University since July 1990. He now serves as professor, doctoral supervisor, post-doctoral co-supervisor in accounting of Business School, Sichuan University, independent director of the Company, independent director of Sichuan Yahua Industrial Group Co., Ltd., independent director of Sino Seal Holding Co., Ltd., independent director of Chengdu XGimi Technology Co., Ltd., independent director of RML Technology Co., Ltd., and outside director of Sichuan Huashi Group Ltd.

8. Ms. Liu Feng, bachelor degree. She began to work in July 1990 and once worked in Yibin Tianyuan Group Co., Ltd., served as a teacher in technical school, headmaster of technical school and director of training centre, vocational education administrator of labour and personnel department, staff of technical reform project office, deputy director of design and research institute and deputy director of staff education institute. She has successively served as the head of the political division of the Yibin Agricultural Machinery Bureau, Party member of the Yibin Civil Air Defense Office, the head of the discipline inspection team and the special inspector for discipline inspection and supervision. She now serves as a member of the Party Committee and Secretary of Committee for Discipline Inspection of Yibin Development Holding Group Co., Ltd.

9. Ms. Yang Ling, master degree. She began to work in July 2013 and successively served as the financial officer of Geotechnical Company No. 3 of China Southwest Geotechnical Investigation & Design Institute Co., Ltd., the deputy head of Comprehensive Budget Unit of Jiang'an County Finance Bureau, the state-owned asset administrator, the deputy head of the state-owned assets department and the deputy head of the finance department of Yibin State-Owned Assets Operation Co., Ltd. She now serves as the head of the Financial Management Department of Yibin Development Holding Group Co., Ltd., and concurrently as a member of the Investment Decision Committee of Yibin Wuliangye Fund Management Co., Ltd.

10. Mr. Wu Guoping, bachelor degree, auditor and senior sourcer. He began to work in August 1989 and once served Yibin City Bureau of Audit, transferred to the Company and served as Deputy Director of the Audit Department in May 2015, Employee Supervisor of the Company in June 2015, and Deputy Director of the Audit Supervision Department in July 2015. He now serves as Employee Supervisor of the Company and Deputy Director of the Audit Supervision Department.

11. Ms. Cao Hongying, college degree, senior engineer. She began to work in Wuliangye Liquor

Factory in December 1981, and served as the deputy head of the product R&D department of the Company in December 2012, secretary of the Party branch of workshop 506 of the Company in August 2017, secretary of the Party branch and director of workshop 506 of the Company in May 2018, secretary of the Party branch and director of workshop 506 of the Company in November 2020, and concurrently as director of the Liquor Body Design Center. She now serves as the secretary of the Party branch and director of workshop 506 of the Company, and concurrently as director of the Liquor Body Design Center.

12. Zhu Zhongyu, master degree, senior salesman, economist, and political analyst. He began to work in Wuliangye Liquor Factory in August 1985, and served as Deputy General Manager of the Company since April 2003. He now serves as Member of CPC and Deputy General Manager of the Company, and concurrently as President of Wuliangye Xianlin Ecological Liquor Co., Ltd. and Executive Deputy General Manager of Yibin Wuliangye Liquor Sales Co., Ltd.

13. Mr. Tang Bochao, master degree, senior economist. He began to serve in Mengzi Military Sub-command of People's Liberation Army of China since October 1983, and began to work in Wuliangye Liquor Factory in March 1987 and served as Member of CPC and Deputy General Manager of the Company since August 2012. He now serves as Member of CPC and Deputy General Manager of the Company.

14. Mr. Tang Shengyun, master degree, professor level senior engineer and China Liquor Brewing Master. He began to work in Wuliangye Liquor Factory in July 1987, and served as Member of CPC and Deputy General Manager of the Company since August 2012. He now serves as Member of CPC and Deputy General Manager of the Company.

15. Mr. Luo Wei, master degree. He began to work in July 1986 and once served Yibin Municipal Bureau of Finance, Yibin Municipal Auditing Bureau, Yibin Investment Group Co., Ltd., and Yibin Airport Co., Ltd. He served as Member of CPC, Deputy General Manager, and Chief Financial Officer of the Company in February 2014. He now serves as Member of CPC, Deputy General Manager, and Chief Financial Officer of the Company.

16. Mr. Zhao Dong, bachelor degree, professor level senior engineer. He began to work in August 1986 and once served Sichuan Light Industry School. He began to work in Wuliangye Liquor Factory in May 1989, and served as Director of the Research Center of the Company in November 2012. He served as Member of CPC and Deputy Chief Engineer of the Wuliangye Yibin Co., Ltd. in July 2017, and Deputy General Manager of the Company in July 2018. He now serves as Member of CPC, Deputy General Manager, and Deputy Chief Engineer of the Company.

Service status in the shareholder's unit

Applicable  Not applicable

Name of staff	Name of shareholder's unit	Position in shareholder's unit	Date of appointment	Date ceasing to hold office	Whether to receive remuneration or allowance in the shareholder's unit
Li Shuguang	Sichuan Yibin Wuliangye Group Co., Ltd.	Secretary of CPC, President			No
Zeng Congqin	Sichuan Yibin Wuliangye Group Co., Ltd.	Deputy Secretary of CPC, Vice President, General Manager			No
Zou Tao	Sichuan Yibin Wuliangye Group Co., Ltd.	Member of CPC, Vice President			No
Jiang Wenge	Sichuan Yibin Wuliangye Group Co., Ltd.	Member of CPC, Director, Deputy General Manager			No
Liu Feng	Yibin Development Holding Group Co., Ltd.	Member of CPC, Secretary of Committee for Discipline Inspection			Yes
Yang Ling	Yibin Development Holding Group Co., Ltd.	Head of Financial Management Department			Yes

## Service status in other units

√ Applicable □ Not applicable

Name of staff	Name of other unit	Position in other unit	Date of appointment	Date ceasing to hold office	Whether to receive remuneration or allowance in other units
Fu Nanping	Guotai Junan Securities Co., Ltd.	Business Inspector and Supervisor			Yes
Zhou Yousu	Sichuan Academy of Social Sciences	Researcher, professor			Yes
	Chengdu Huasun Technology Group Inc., Ltd.	Independent Director			
Gan Shengdao	Sichuan University	Professor, doctoral supervisor, and post-doctoral co-supervisor in accounting			Yes
	Sichuan Yahua Industrial Group Co., Ltd., Sinoseal Holding Co., Ltd., Chengdu XGimi Technology Co., Ltd., and RML Technology Co., Ltd.	Independent Director			Yes
	Outside Director of Sichuan Huashi Group Ltd.	Outside Director			
Zou Tao	Wuliang NongXiang Series Baijiu	President			No

	Yibin Co., Ltd.				
Zhu Zhongyu	Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	President			No
	Yibin Wuliangye Liquor Sales Co., Ltd.	Executive Deputy General Manager			
Tang Bochao	Oriental Outlook Media Co., Ltd.	Vice President			No

Punishment against current directors, supervisors and officers of the Company and those who resigned during the reporting period by securities regulators in recent three years

Applicable  Not applicable

#### IV. Remuneration of directors, supervisors and senior management

Decision-making procedures, determination basis and actual payment of remuneration of directors, supervisors and senior management.

##### 1. Decision-making procedures

The Company had formulated the remuneration distribution scheme for officers of the Company according to relevant systems and provisions of superior departments and the Company, which would be reported to the remuneration committee of the board of directors for approval, and then submitted to the board of directors of the Company for approval before implementation.

##### 2. Determination basis

The Company determined remuneration of the directors, supervisors and senior management based on evaluation according to relevant systems and provisions.

##### 3. Actual payment of remuneration

Part of the basic remuneration was paid monthly and part of the performance pay was paid within the year.



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

Unit: RMB '0,000

Name	Position	Gender	Age	Status of service	Total remuneration received from the Company	Whether to get remuneration from related parties of the Company
Zeng Congqin	President	Male	52	Incumbent	69.5	No
Li Shuguang	Director	Male	58	Incumbent	109.53	No
Zou Tao	Director	Male	42	Incumbent	101.11	No
Jiang Wenge	Director	Male	54	Incumbent	99.51	No
Fu Nanping	Independent Director	Male	59	Incumbent	10	No
Zhou Yousu	Independent Director	Male	68	Incumbent	10	No
Gan Shengdao	Independent Director	Male	54	Incumbent	10	No
Liu Feng	Supervisor	Male	51	Incumbent		Yes
Yang Ling	Supervisor	Male	34	Incumbent		Yes
Wu Guoping	Employee Supervisor	Male	51	Incumbent	60.92	Yes
Cao Hongying	Employee Supervisor	Female	54	Incumbent	158.58	No
Zhu Zhongyu	Deputy General Manager	Male	57	Incumbent	100.11	No
Tang Bochao	Deputy General Manager	Male	56	Incumbent	100.06	No
Tang Shengyun	Deputy General Manager	Male	58	Incumbent	100.29	No
Luo Wei	Deputy General Manager, Chief Financial Officer	Male	56	Incumbent	99.51	No
Zhao Dong	Deputy General Manager, Deputy Chief Engineer	Male	56	Incumbent	100.53	No
Total	--	--	--	--	1,129.65	--

Remarks: 1. Allowances received by the independent directors were tax-inclusive.

2. The total remuneration of directors and senior management (other than independent directors) represents the aggregate of the base remuneration for 2020 and the performance-based remuneration advanced for 2019 and 2020 during the reporting period. Employee supervisor, Wu Guoping received an allowance of RMB 40,200 from the Group Company.

Equity incentive granted to directors and officers of the Company during the reporting period

Applicable     Not applicable

## V. Company employees

### 1. Number, professional composition and educational background of employees

Number of employees in the parent company (person)	17,589
Number of employees in main subsidiaries (person)	8,293
Total employees (person)	25,882
Total employees receiving salary in the current period (person)	25,882
Number of part-time workers (persons)	2,066
Number of retired employees whose expenses need to be borne by the parent company and main subsidiaries (person)	180
Professional composition	
Category of professional composition	Number of professionals (person)
Production personnel	19,450
Marketing personnel	1,156
Technician	4,048
Financial personnel	203
Administrative personnel	1,025
Total	25,882
Educational background	
Category of education background	Number (person)
College and above	5,665
Senior high school to college	12,697
Middle school and below	7,520
Total	25,882

### 2. Remuneration policy

The remuneration policies currently implemented by the Company are the "Trial Measures for the Management of Total Wages of Municipal Supervised Enterprises in Yibin City" (YGZW [2019] No. 205), the "Interim Provisions on Wage Management" (YWJR [2009] No. 264) and the "Trial Measures for the Management of Total Wages of Subsidiaries" (YWJR [2020] No. 4).

### 3. Training plan

In 2021, training work of the Company will center on the strategic layout of "Reform, Innovation, Transformation, and Development" and focus on construction of the talent team to strengthen the foundation of innovation and development. The Company will carry out hierarchical and classified

trainings with rich contents and by flexible means based on the demand of the Company for reform and development and the demands of employees for diversified trainings, enhancing the planning, pertinency and effectiveness of educational training. The Company plans to carry out 124 trainings at company level, 111 trainings at department level, 246 trainings at workshop level, 103 external trainings, and 58 skill trainings to provide strong human resources guarantee for the reform and innovation of the Company, so as to effectively match up with and promote strategic improvement of the Company and achievement of the annual operation objectives.

#### **4. Labor outsourcing**

Applicable     Not applicable

## Section X Corporate Governance

### I. Basic information of corporate governance

The Company, being dedicated to the construction and improvement of the corporate governance structure, has established, and will continue to revise and improve relevant rules and regulations in strict accordance with the Company Law, Securities Law, Governance Guidelines for Listed Companies, and other laws and regulations. The Company has established relevant rules and regulations for the general meeting, the board of directors and the board of supervisors to ensure that they will exercise the discretion, decision-making right, and right of supervision. The board of directors of the Company has set up five special committees: strategic committee, remuneration and appraisal committee, nomination committee, audit committee, and comprehensive budget management committee, which effectively promoted the standardized operation of the board of directors.

During the reporting period, the Company revised the Articles of Association, Procedure Rules of the Board of Directors, Procedure Rules of Board of Supervisors and Procedure Rules of the General Meeting, further improving the Company's management system.

Whether there is any significant difference between the actual situation of corporate governance and the normative documents on governance of the listed company issued by China Securities Regulatory Commission

Yes  No

There is no significant difference between the actual situation of corporate governance and the normative documents on listed corporate governance issued by China Securities Regulatory Commission.

### II. Independence of the Company from its controlling shareholders in respect of business, personnel, assets, organization and finance

The Company was 50-50 separated from the controlling shareholders in respect of business, personnel, assets, organization and finance, and had independent and complete production and operation system and independent operation capability.

In respect of business, the Company owned independent production and operation system, auxiliary production system and corresponding supporting facilities, and had the ability to make decisions about operating activities independently.

In respect of personnel, the Company carried out independent management on labor, personnel and salary matters.

In respect of assets, the Company had ownership and right of control over its assets, and the

controlling shareholders did not occupy the assets or funds of the Company.

In respect of organization, the Company had independent main production and operation management organization and system.

In respect of finance, the Company owned independent financial department, established independent accounting system and financial management system, and opened independent bank account.

### III. Peer competition

Applicable  Not applicable

## IV. Note on the annual general meeting and extraordinary general meeting held during the reporting period

### 1. General meeting during the reporting period

Meeting session	Meeting type	Investor participation proportion	Convening date	Disclosure date	Disclosure index
Annual General Meeting 2019	Annual general meeting	71.79%	May 29, 2020	May 30, 2020	CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )

### 2. Extraordinary general meeting convened at the request of preferred shareholders with voting rights restored

Applicable  Not applicable

## V. Performance of duties by independent directors during the reporting period

### 1. Attendance of board meeting and general meeting by independent directors

Attendance of board meeting and general meeting by independent directors							
Name of independent director	Number of board meetings to be attended during the reporting period	Number of board meetings attended on site	Number of board meetings attended by correspondence	Number of board meetings delegated to attend	Number of board meetings absent	Whether fails to personally attend the board meeting for two consecutive times	Number of general meetings attended
Fu Nanping	13	2	11	0	0	No	1
Zhou Yousu	13	2	11	0	0	No	1
Gan Shengdao	13	2	11	0	0	No	1

Note on failure to personally attend the board meeting for two consecutive times

Not applicable

### 2. Objections made by independent directors on relevant matters of the Company

Whether the independent directors make objections on relevant matters of the Company

Yes  No

The independent directors made no objections on relevant matters of the Company during the reporting period.

### **3. Other note on the performance of duties by the independent directors**

Whether relevant suggestions of the independent directors on the Company are adopted

Yes  No

Note on adoption or non-adoption of relevant suggestions of the independent directors on the Company

During the reporting period, the independent directors of the Company performed their duties independently in strict accordance with relevant laws, regulations and the Articles of Association, put forwarded professional opinions or suggestions on operating decision of the Company, issued independent opinions on matters of the Company which needed the opinions of independent directors during the reporting period, and played its due role in safeguarding legal rights interests of the Company and all shareholders.

## **VI. Performance of duties by special committees under the board of directors during the reporting period**

The board of directors of the Company has set up five special committees: strategic committee, remuneration and appraisal committee, nomination committee, audit committee, and comprehensive budget management committee.

### **(I) Strategic committee**

During the reporting period, the strategic committee of the Company convened three meetings according to relevant requirements of the Implementation Rules for Strategic Committee of the Company, listening to the report on the promotion of key projects and the work summary of the 13th Five-Year, as well as discussing the 14th Five-Year Plan.

### **(II) Audit committee**

During the reporting period, the audit committee was diligent and responsible in performing the responsibilities required by the system: 1. Review the Company's 1st quarter report of 2020, semi-annual report of 2020, and the 3rd quarter report of 2020 and form resolutions; 2. Review the Company's renewal of employment of the accounting firm in 2021 and the audit budget, and form resolutions; 3. Determine the timing of audit of the financial and accounting statements 2020 through consultation with the accounting firm responsible for annual audit of the Company; 4. Communicate with the accounting firm and independent directors before entry of the auditor of the Annual Report of 2020; 5. Review, for the first time, the summary financial and accounting statements of 2020 prepared by the Department of Finance of the Company before entry of the CPAs for the annual audit, and provide written comments; 6. After entry of the CPA for annual audit, the audit committee and the CPAs for annual audit communicated about problems found during the audit and the time for submitting the audit

report; and 7. The audit committee further reviewed the Company's financial and accounting statements 2020 and form resolutions after the CPAs for the annual audit issued the preliminary audit opinions.

### (III) Nomination committee

The nomination committee convened one meeting during the reporting period according to relevant provisions of the Implementation Rules for Nomination Committee of the Company, and agreed to nominate Ms. Jiang Lin as a candidate for non-independent director of the 5th board of directors of the Company and nominate Mr. Xie Zhihua, Mr. Wu Yue and Mr. Lang Dingchang as candidates for independent director of the 5th board of directors of the Company.

### (IV) Remuneration and appraisal committee

The remuneration and appraisal committee, according to relevant provisions of the Implementation Rules for Remuneration and Appraisal Committee of the Company, issued audit opinion on the remuneration payment of officers of the Company in 2020 during the reporting period.

### (V) Comprehensive budget management committee

The committee, according to relevant provisions of the *Implementation Rules for Comprehensive Budget Management Committee* of the Company, Serious performance of duties reviewed and approved the *Annual Budget Scheme 2020* and the *Comprehensive Budget Adjustment Scheme 2020* during the reporting period.

## VII. Work of the board of supervisors

Whether the board of supervisors find any risk of the Company in the supervision activities during the reporting period

Yes  No

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

## VIII. Appraisal and incentive of senior management

Refer to "Section IX, IV. Remuneration of directors, supervisors and officers" of the Report for details."

## IX. Internal control

### 1. Details of major internal control defects found during the reporting period

Yes  No

### 2. Self-evaluation report on internal control

Disclosure date of internal control evaluation report (full text)	April 28, 2021
Disclosure index of internal control evaluation report (full text)	CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Proportion of the total assets of the unit included in the evaluation scope to the total assets of the consolidated financial statement of the Company	100.00%
Proportion of operating revenue of the unit included in the evaluation scope to the operating revenue of the consolidated financial statement of the Company	100.00%

Defect identification standard		
Category	Financial Report	Non-financial report
Qualitative standard	<p>1. Major defects: (1) Correction by the Company of the financial statements which have been published. (2) Materials misstatements found by the external auditor in current financial statements which have not been identified. (3) Corrupt practice of directors, supervisors, and senior management found by the external auditor. (4) Ineffective supervision of internal control by the Company's internal audit department. (5) Major defects previously found but were not corrected within a reasonable period or were ineffectively corrected.</p> <p>2. Important defects: (1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles. (2) Failure to effectively control irregular (non-repeating) or complicated transactions. (3) Failure to effectively control the anti-corrupt work. (4) Ineffective internal control over the financial report at the end of the period.</p> <p>3. Common defects: Defects other than major defects and important defects are recognized as common defects.</p>	<p>1. Major defects: (1) In violation of national laws, regulations, or normative documents. (2) Unscientific enterprise decision-making procedure, such as wrong decision, which causes failure of major transactions. (3) Loss of management personnel or technician of important posts. (4) Lack of institutional control or systematic failure of the institution for important businesses, and existence but ineffective operation of institutional guidance for internal control of important economic business. (5) Failure to correct major defect within a reasonable period.</p> <p>2. Important defects: (1) Property loss not reaching or exceeding the level of materiality but should be noticed by the board of directors and the management in nature. (2) Individual events criticized by government departments, causing moderate negative influence on reputation of the Company. (3) Violation of internal rules and regulations of the enterprise and causing losses. (4) Defect in important business mechanism or system.</p> <p>3. Common defects: Other defects in internal control other than major defects and important defects.</p>
Quantitative standard	<p>1. Major defects: Misstatement amount &gt;3% of total operating revenue; misstatement amount &gt;10% of net profit; misstatement amount &gt;3% of total assets.</p> <p>2. Important defects: 1% of total operating revenue &lt; misstatement amount ≤ 3% of total operating revenue; 5% of net profit &lt; misstatement amount ≤ 10% of net profit; 1% of total assets &lt; misstatement amount ≤ 3% of total assets.</p> <p>3. Common defects: Misstatement amount ≤1% of total operating revenue; misstatement amount ≤5% of net profit; misstatement amount ≤1% of total assets.</p>	<p>1. Major defects: Proportion of loss to net profit ≥5%.</p> <p>2. Important defects: 3% ≤ proportion of loss to net profit &lt;5%.</p> <p>3. Common defects: Proportion of loss to net profit &lt;3%.</p>
Number of major defects in		0



financial reports (piece)	
Number of major defects in non-financial reports (piece)	0
Number of important defects in financial reports (piece)	0
Number of important defects in non-financial reports (piece)	0

## X. Internal control audit report

Applicable  Not applicable

Audit opinion paragraphs in the internal control audit report	
Sichuan Huaxin (Group) CPA (LLP) believes that the Company maintained effective internal control over the financial report on all significant aspects in accordance with the Basic Criteria of Enterprise Internal Control and relevant provisions as of December 31, 2020.	
Disclosure of internal control audit report	Disclosed
Disclosure date of internal control audit report (full text)	April 28, 2021
Disclosure index of internal control audit report (full text)	Refer to CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) for details
Type of opinions of internal control audit report	Standard unqualified opinion
Whether non-financial report has major defects	No

Whether the accounting firm issues an internal control audit report with non-standard opinion

Yes  No

Whether the internal control audit report from the accounting firm is in consistent with the opinions of the self-evaluation report from the board of directors

Yes  No

## Section XI Corporate Bonds

Whether the Company has bonds publicly issued and listed on the stock exchange that have not matured or matured but not paid in full on the date of approval of the Annual Report

No

## Section XII Financial Report

### I. Audit Report

Type of audit opinion	Standard unqualified opinion
Date of signing the Audit Report	April 25, 2021
Name of Audit Firm	Sichuan Huaxin (Group) CPA (LLP)
Audit Report No.	CHXS (2021) No. 0028
Name of CPAs	Li Min, Liu Jun, Ye Juan

#### Audit Report (Text)

#### To all shareholders of Wuliangye Yibin Co., Ltd.:

##### I. Audit opinion

We have audited the financial statements of Wuliangye Yibin Co., Ltd. (hereinafter referred to as the Company), including the consolidated balance sheet and the balance sheet of parent company as of December 31, 2020, consolidated income statement and income statement of parent company, consolidated cash flow statement and cash flow statement of parent company, consolidated statement of changes in owners' equity and statement of changes in owners' equity of parent company for the year 2020 and notes to these financial statements.

In our opinion, the attached financial statements of the Company have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises and give a true and fair view of the consolidated financial position and financial position of parent company of the Company as of December 31, 2020 and of the consolidated financial performance and cash flows and financial performance and cash flows of parent company for the year 2020 on all significant aspects.

##### II. Basis for opinion

We conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. The "Responsibility of CPAs for audit of the financial statements" in the Audit Report further states our responsibility under these Standards. We are independent of the Company and fulfill other responsibilities in terms of professional ethics according to the Code of Professional Ethics for Chinese CPAs. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### III. Key audit matters

The key audit matters are those that we consider most important to audit the financial statements of the current period in our professional judgment. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinion. We do not express our opinions on these matters separately. We have identified the following matters as key audit matters during the audit:

Key audit matters	Addressed in the context of our audit
<b>(I) Existence and integrity of cash and cash equivalents</b>	
<p>Refer to notes to financial statements "V. Notes to consolidated financial statements, 1. Cash and cash equivalents".</p> <p>As of December 31, 2020, the balance of cash and cash equivalents of the Company was RMB 68,209,577,000 taking up 59.89% of the total assets. The safety of deposit, accuracy and integrity of balance have great impact on the financial statements due to the large amount of balance of cash and cash equivalents and large number of bank accounts, therefore we consider the existence and integrity of cash and cash equivalents as a key audit matter.</p>	<p>With respect of cash and cash equivalents, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understand, test, and evaluate key internal controls related to the management of cash and cash equivalents;</li> <li>2. Obtain list of bank accounts opened, and check the books of the Company against the bank account information and integrity of the bank accounts;</li> <li>3. Obtain the bank statement and bank reconciliation for external confirmation of the bank accounts, and control the process of external confirmation;</li> <li>4. Supervise the originals of certificate of fixed deposit, and pay attention to the holders of certificate of fixed deposit and other information.</li> <li>5. Obtain credit report of the enterprise and check whether the cash and cash equivalents are under mortgage, charge or frozen;</li> <li>6. At the end of the period, the amount deposited with Sichuan Yibin Wuliangye Group Finance Co., Ltd. was RMB 28,600,538,900 in total. Check the deposit and loan businesses of Sichuan Yibin Wuliangye Group Finance Co., Ltd.</li> </ol> <p>We believe that the above audit procedures can support the management of the Company in determining the existence and integrity of cash and cash equivalents.</p>
<b>(II) Integrity of disclosure of association relationships and related transactions</b>	
<p>Please refer to notes to financial statement "IX. Related parties and related transactions".</p> <p>In 2020, the Company had different categories of related transactions with related parties in large amount. There is a risk of failing to fully disclose the association relationships and related transactions in the notes to financial statements due to large number of related parties and involving in various types of related transactions, therefore we consider integrity of disclosure of association relationships and related transactions as a key audit matter.</p>	<p>With respect of association relationships and related transactions, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understand the procedures of the Company for related party identification, evaluate and test the internal control of the Company for identifying and disclosing association relationships and related transactions;</li> <li>2. Obtain the list of association relationships provided by the management, and check against the information obtained from other public channels; review the major sales, purchase, and other transactions to identify any association relationship not being disclosed;</li> <li>3. Obtain the amount of related transactions and details of the balance provided by the management and check against the financial records;</li> <li>4. Sample the amount and balance of related transactions for external confirmation;</li> <li>5. Obtain the resolutions of the board of directors and those of the general meeting concerning the related transactions, and check against the list of association relationships, amount and balance of related transactions provided by the management;</li> <li>6. Obtain statement of the management about integrity of the association relationships and related transactions;</li> <li>7. Check whether the association relationship and related transactions have been fully disclosed according to the Accounting Standards for Business Enterprises.</li> </ol> <p>We believe that the above audit procedures can support the management of the Company in determining the existence and integrity of association relationship and related transactions.</p>

#### **IV. Other information**

The management of the Company is responsible for other information. Such information includes the information covered in the Annual Report 2020, but excluding the financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information and we do not express any form of verification conclusions on other information.

Combined with our audit of the financial statements, it's our responsibility to read other information. In this process, we shall consider whether there is material inconsistency of other information with the financial statements or the situation understood by us in the audit process or material misstatement.

Based on the work that has been conducted by us, if we determine that other information contains material misstatements, we should report the fact. We have nothing to report in this regard.

#### **V. Responsibility of management and governance for the financial statements**

The management of the Company is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises and giving a true and fair view; designing, implementing and maintaining necessary internal control, so that the financial statements are free from material misstatement due to fraud or error.

When preparing the financial statements, the management is responsible for evaluating the going-concern ability of the Company, disclosing the matters related to the going-concern (if applicable) and using the going-concern assumption, unless the management plans to liquidate the Company or stop operation or has no other realistic choices.

The governance is responsible for supervising the financial reporting process of the Company.

#### **VI. Responsibility of CPAs for audit of the financial statements**

Our goal is to obtain reasonable assurance as to whether there is no material misstatement caused by fraud or error in the financial statements as a whole, and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

(4) Draw a conclusion about the appropriateness of the going-concern assumption used by the management. Meanwhile, draw a conclusion about the major uncertainty of the matters or circumstances possibly resulting in major concerns about the going-concern ability of the Company according to the audit evidence obtained. If we conclude that a material uncertainty exists, the auditing

standards require us to draw attention to users of the financial statements in the Audit Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the Audit Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with the governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sichuan Huaxin (Group) CPA  
(LLP)  
Chengdu, China

Chinese Certified Public Accountant: Li Min  
(Project Partner)  
Chinese Certified Public Accountant: Liu Jun  
Chinese Certified Public Accountant: Ye Juan

April 25, 2021

## II. Financial Statements

Unit of notes to financial statements: RMB

### 1. Consolidated Balance Sheet

Prepared by: Wuliangye Yibin Co., Ltd.

December 31, 2020

Unit: RMB Yuan

Item	December 31, 2020	December 31, 2019
Current assets:		
Cash and cash equivalents	68,209,577,022.61	63,238,825,723.79
Settlement reserves		
Capital lent		
Trading financial assets		
Derivative financial assets		
Notes receivable	18,568,421,154.30	14,643,149,595.72
Accounts receivable	41,496,170.35	134,449,693.03
Accounts receivable financing	2,024,442,016.72	3,450,166,659.06
Prepayments	247,259,080.42	231,909,140.09
Premium receivable		
Reinsurance receivables		
Contract reserve of reinsurance		
Other receivables	36,199,607.12	1,248,644,572.40
Including: Interest receivable		1,215,275,214.91
Dividends receivable		
Purchase restituted finance asset		
Inventory	13,228,273,631.45	13,679,619,615.41
Contract asset		
Assets held for sale		
Non-current assets due within one year		
Other current assets		
Total current assets	102,355,668,682.97	96,626,764,999.50
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		

Long-term equity investment	1,849,977,103.30	1,021,778,731.59
Other equity instrument investment		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment properties		
Fixed assets	5,866,880,860.03	6,108,745,912.72
Construction in progress	1,482,098,184.64	812,428,248.30
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	433,611,890.55	410,155,227.81
Development expenditures		
Goodwill	1,621,619.53	1,621,619.53
Long-term deferred expenses	122,881,072.66	91,601,331.96
Deferred income tax assets	1,486,071,579.95	1,157,391,979.00
Other non-current assets	293,128,020.09	165,284,283.25
Total non-current assets	11,537,470,330.75	9,770,207,334.16
Total assets	113,893,139,013.72	106,396,972,333.66
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	763,628,891.84	419,485,425.61
Accounts payable	3,382,875,146.71	3,257,672,975.56
Accounts received in advance	23,949,793.92	12,530,706,854.77
Contract liability	8,618,543,467.25	
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Payroll payable	3,629,524,988.52	3,594,886,729.81
Tax payable	5,542,200,330.67	7,939,166,588.84
Other payables	2,800,763,582.13	2,292,680,733.51

Including: Interest payable		
Dividend payable	37,918,093.23	
Commission charge and commission payable		
Reinsurance payables		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,117,452,799.61	
Total current liabilities	25,878,939,000.65	30,034,599,308.10
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease liability		
Long-term payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	255,953,368.36	266,325,368.40
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	255,953,368.36	266,325,368.40
Total liabilities	26,134,892,369.01	30,300,924,676.50
Owner's equity:		
Capital stock	3,881,608,005.00	3,881,608,005.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserve	2,682,647,086.15	2,682,647,086.15
Less: Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	19,698,525,995.51	16,092,197,023.01



Provision for general risk		
Undistributed profit	59,443,191,559.08	51,634,248,548.06
Total owners' equity attributable to parent company	85,705,972,645.74	74,290,700,662.22
Minority equity	2,052,273,998.97	1,805,346,994.94
Total owners' equity	87,758,246,644.71	76,096,047,657.16
Total liabilities and owners' equity	113,893,139,013.72	106,396,972,333.66

Legal representative: Zeng Congqin

Responsible person for accounting: Luo Wei

Responsible person of accounting firm: Luo Jun

## 2. Balance Sheet of Parent Company

Unit: RMB Yuan

Item	December 31, 2020	December 31, 2019
Current assets:		
Cash and cash equivalents	35,797,929,213.94	28,257,367,404.51
Trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	75,493,465.93	80,520,520.72
Other receivables	7,066,125,125.42	10,126,706,853.03
Including: Interest receivable		570,078,014.35
Dividends receivable	734,729,782.94	654,791,389.27
Inventory		
Contract asset		
Assets held for sale		
Non-current assets due within one year		
Other current assets		
Total current assets	42,939,547,805.29	38,464,594,778.26
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	13,315,418,495.83	10,609,783,624.61

Other equity instrument investment		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment properties		
Fixed assets	94,199,222.32	100,266,366.93
Construction in progress	105,734,347.80	100,358,221.33
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	44,593,088.87	39,222,336.12
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	2,288,329.69	2,202,432.10
Other non-current assets		
Total non-current assets	13,563,433,484.51	10,853,032,981.09
Total assets	56,502,981,289.80	49,317,627,759.35
Current liabilities:		
Short-term loans		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	781,064.42	418,136.00
Accounts received in advance		
Contract liability		
Payroll payable	8,803,447.13	8,811,734.27
Tax payable	33,466,208.83	30,732,337.42
Other payables	210,715,274.14	285,450,874.79
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	253,765,994.52	325,413,082.48

Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred share		
Perpetual bond		
Lease liability		
Long-term payable		
Long-term payroll payable		
Estimated liabilities		
Deferred income	500,000.00	1,000,000.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	500,000.00	1,000,000.00
Total liabilities	254,265,994.52	326,413,082.48
Owner's equity:		
Capital stock	3,881,608,005.00	3,881,608,005.00
Other equity instruments		
Including: Preferred share		
Perpetual bond		
Capital reserve	2,682,647,086.15	2,682,647,086.15
Less: Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	9,464,358,442.95	7,884,654,620.01
Undistributed profit	40,220,101,761.18	34,542,304,965.71
Total owners' equity	56,248,715,295.28	48,991,214,676.87
Total liabilities and owners' equity	56,502,981,289.80	49,317,627,759.35

### 3. Consolidated Income Statement

Unit: RMB Yuan

Item	Year 2020	Year 2019
I. Total operating revenue	57,321,059,453.15	50,118,105,877.14
Including: Operating revenue	57,321,059,453.15	50,118,105,877.14
Interest revenue		
Premium earned		

Commission charge and commission revenue		
II. Total operating cost	29,738,554,309.94	26,123,144,090.12
Including: Operating cost	14,811,961,478.65	12,802,259,947.34
Interest expenditure		
Commission charge and commission expense		
Surrender value		
Net amount of expense of compensation		
Net provision for insurance contracts		
Bonus insurance expense		
Reinsurance expense		
Tax and surcharges	8,092,348,596.10	6,984,343,102.55
Selling expenses	5,578,918,523.98	4,985,579,336.77
Administrative expenses	2,609,529,686.09	2,655,347,148.09
Research and development expense	131,315,225.33	126,360,421.11
Financial expenses	-1,485,519,200.21	-1,430,745,865.74
Including: Interest expense		
Interest revenue	1,521,933,975.40	1,416,398,912.72
Plus: Other incomes	162,373,770.41	159,712,241.81
Investment income (loss indicated with "-")	93,504,494.16	92,500,753.05
Including: Investment revenue from associates and joint ventures	93,504,494.16	92,500,753.05
Income on de-recognition of financial assets measured at amortized cost		
Exchange income (loss indicated with "-")		
Net exposure hedging income (loss indicated with "-")		
Income from changes of fair value (loss indicated with "-")		
Credit impairment loss	1,024,420.84	-1,133,580.27

(loss indicated with "-")		
Asset impairment loss (loss indicated with "-")	-14,113,185.98	-3,020,763.91
Gain from disposal of assets (loss indicated with "-")	1,129,293.57	2,779,400.03
III. Operating profit (loss indicated with "-")	27,826,423,936.21	24,245,799,837.73
Plus: Non-operating revenue	40,661,952.32	29,890,272.65
Less: Non-operating expenditure	188,638,670.83	169,678,066.85
IV. Total profit (total loss indicated with "-")	27,678,447,217.70	24,106,012,043.53
Less: Income tax expenses	6,765,106,808.16	5,877,756,764.92
V. Net profit (net loss indicated with "-")	20,913,340,409.54	18,228,255,278.61
(I) Classification by business continuity		
1. Net profit from continuing operations (net loss indicated with "-")	20,913,340,409.54	18,228,255,278.61
2. Net profit from discontinued operations (net loss indicated with "-")		
(II) Classification by ownership		
1. Net profit attributable to shareholders of the parent company	19,954,809,594.52	17,402,164,190.16
2. Minority interest income	958,530,815.02	826,091,088.45
VI. Net amount of other comprehensive income after tax		
Net amount of other comprehensive income after tax attributable to owner of parent company		
(I) Other comprehensive income that cannot reclassified into the profit and loss		
1. Changes arising from the remeasurement of defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		

4. Changes in fair value of corporate credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into the profit and loss		
1. Other comprehensive income that can be reclassified into profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedge reserve		
6. Balance arising from the translation of foreign currency financial statements		
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	20,913,340,409.54	18,228,255,278.61
Total comprehensive income attributable to owner of parent company	19,954,809,594.52	17,402,164,190.16
Total comprehensive income attributable to minority shareholders	958,530,815.02	826,091,088.45
VIII. Earnings per share:		
(I) Basic earnings per share	5.141	4.483
(II) Diluted earnings per share	5.141	4.483

Net profit realized by the combined party before the consolidation in case of business combination under the same control during the reporting period: RMB 0.00, and the net profit realized by the combined party in previous period: RMB 0.00.

Legal representative: Zeng Congqin

Responsible person for accounting: Luo Wei

Responsible person of accounting firm: Luo Jun

## 4. Income Statement of Parent Company

Unit: RMB Yuan

Item	Year 2020	Year 2019
I. Operating revenue	40,800.00	557,807.81
Less: Operating cost	0.00	0.00
Tax and surcharges	76,817.34	530,756.77
Selling expenses		
Administrative expenses	117,170,397.30	112,675,199.88
Research and development expense	42,712,530.27	42,509,849.28
Financial expenses	-903,071,222.56	-747,727,624.11
Including: Interest expense		
Interest revenue	903,108,973.17	747,767,664.67
Plus: Other incomes	13,198,222.54	2,672,800.00
Investment income (loss indicated with "-")	15,335,974,898.92	11,979,399,612.91
Including: Investment revenue from associates and joint ventures	91,885,853.76	92,458,647.87
Income on de-recognition of financial assets measured at amortized cost (loss indicated with "-")		
Net exposure hedging income (loss indicated with "-")		
Income from changes of fair value (loss indicated with "-")		
Credit impairment loss (loss indicated with "-")	-343,590.35	-506,172.26
Asset impairment loss (loss indicated with "-")		
Gain from disposal of assets (loss indicated with "-")		
II. Operating profit (loss indicated with "-")	16,091,981,808.76	12,574,135,866.64
Plus: Non-operating revenue	10,278,787.15	670,614.65
Less: Non-operating expenditure	160,529,678.78	147,551,770.23
III. Total profit (total loss indicated with "-")	15,941,730,917.13	12,427,254,711.06

“-”)		
Less: Income tax expenses	144,692,687.72	108,026,839.29
IV. Net profit (net loss indicated with “-”)	15,797,038,229.41	12,319,227,871.77
(I) Net profit from continuing operations (net loss indicated with “-”)	15,797,038,229.41	12,319,227,871.77
(II) Net profit from discontinued operations (net loss indicated with “-”)		
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income that cannot reclassified into the profit and loss		
1. Changes arising from the remeasurement of defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit and loss under the equity method		
3. Changes in fair value of other equity instrument investment		
4. Changes in fair value of corporate credit risk		
5. Others		
(II) Other comprehensive income that will be reclassified into the profit and loss		
1. Other comprehensive income that can be reclassified into profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash flow hedge reserve		
6. Balance arising from the translation of foreign currency financial statements		



7. Others		
VI. Total comprehensive income	15,797,038,229.41	12,319,227,871.77
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB Yuan

Item	Year 2020	Year 2019
I. Cash flows from operating activities:		
Cash received from the sales of goods and the rendering of services	62,667,576,569.99	63,111,448,367.92
Net increase in customer deposit and interbank deposit		
Net increase in loan from central bank		
Net increase in capital borrowed		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Insured savings and net increase of investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received from securities trading brokerage		
Receipts of tax refunds	56,724,988.21	29,278,082.30
Other cash received relating to operating activities	2,243,660,435.98	1,463,776,630.55
Sub-total of cash inflows from operating activities	64,967,961,994.18	64,604,503,080.77
Cash payments for goods purchased and services received	17,340,551,154.28	16,858,330,333.04
Net increase of customer loans and advances		

Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase in capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for policy dividend		
Cash paid to employee and for employee	5,740,856,054.71	5,633,645,226.36
Payments of all types of taxes	23,227,933,861.45	15,634,936,299.82
Other cash paid relating to operating activities	3,960,293,330.53	3,365,519,180.89
Sub-total of cash outflows from operating activities	50,269,634,400.97	41,492,431,040.11
Net cash flows from operating activities	14,698,327,593.21	23,112,072,040.66
II. Cash flows from investing activities:		
Cash received from disposals and withdraw on investment		
Cash received from investment income		
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	6,438,616.16	92,050,811.98
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	6,438,616.16	92,050,811.98
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	993,760,087.19	1,698,655,125.66
Cash payments to acquire investments	734,693,877.55	9,800,000.00
Net increase of mortgaged loans		
Net cash payments for acquisitions of subsidiaries and other business units		

Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	1,728,453,964.74	1,708,455,125.66
Net cash flows from investing activities	-1,722,015,348.58	-1,616,404,313.68
III. Cash flows from financing activities:		
Cash received from investors in making investment in the enterprise	15,000,000.00	
Including: Cash received from subsidiaries' absorption of minority shareholders' investment		
Cash received from borrowings		
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities	15,000,000.00	
Cash repayments of amounts borrowed		
Cash paid for distribution of dividends or profits, or cash payments for interests	9,228,223,328.76	7,251,646,962.56
Including: Dividends and profits paid by subsidiaries to minority shareholders	688,685,717.76	652,913,354.06
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	9,228,223,328.76	7,251,646,962.56
Net cash flows from financing activities	-9,213,223,328.76	-7,251,646,962.56
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-130,439.21	63,661.42
V. Net increase in cash and cash equivalents	3,762,958,476.66	14,244,084,425.84
Plus: Beginning balance of cash and cash equivalents	63,204,133,323.79	48,960,048,897.95
VI. Ending balance of cash and cash equivalents	66,967,091,800.45	63,204,133,323.79

## 6. Cash Flow Statement of Parent Company

Unit: RMB Yuan

Item	Year 2020	Year 2019
I. Cash flows from operating activities:		
Cash received from the sales of goods and the rendering of services	40,800.00	592,800.00
Receipts of tax refunds		
Other cash received relating to operating activities	3,721,490,020.40	3,324,064,952.46
Sub-total of cash inflows from operating activities	3,721,530,820.40	3,324,657,752.46
Cash payments for goods purchased and services received		
Cash paid to employee and for employee	94,250,407.74	83,616,698.28
Payments of all types of taxes	143,335,903.87	113,260,133.25
Other cash paid relating to operating activities	471,475,162.79	342,415,572.20
Sub-total of cash outflows from operating activities	709,061,474.40	539,292,403.73
Net cash flows from operating activities	3,012,469,346.00	2,785,365,348.73
II. Cash flows from investing activities:		
Cash received from disposals and withdraw on investment		
Cash received from investment income	15,164,150,651.49	11,574,757,006.40
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		5,513.55
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	15,164,150,651.49	11,574,762,519.95
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	11,002,115.83	1,043,835.63

Cash payments to acquire investments	2,613,749,017.46	169,473,007.80
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	2,624,751,133.29	170,516,843.43
Net cash flows from investing activities	12,539,399,518.20	11,404,245,676.52
III. Cash flows from financing activities:		
Cash received from investors in making investment in the enterprise		
Cash received from borrowings		
Other cash received relating to financing activities		
Sub-total of cash inflows from financing activities		
Cash repayments of amounts borrowed		
Cash paid for distribution of dividends or profits, or cash payments for interests	8,539,537,611.00	6,598,733,608.50
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	8,539,537,611.00	6,598,733,608.50
Net cash flows from financing activities	-8,539,537,611.00	-6,598,733,608.50
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	7,012,331,253.20	7,590,877,416.75
Plus: Beginning balance of cash and cash equivalents	28,257,367,404.51	20,666,489,987.76
VI. Ending balance of cash and cash equivalents	35,269,698,657.71	28,257,367,404.51

## 7. Consolidated Statement of Changes in Owners' Equity

Amount of current period

Unit: RMB Yuan

Item	Year 2020														Minority equity	Total owners' equity
	Owner's equity attributable to parent company															
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Provision for general risk	Undistributed profit	Others	Sub-total			
		Preferred share	Perpetual bond	Others												
I. Ending balance of previous year	3,881,608,005.00			2,682,647,086.15				16,092,197,023.01		51,634,248,548.06		74,290,700,662.22	1,805,346,994.94	76,096,047,657.16		
Plus: Changes in accounting policy																
Correction of prior errors																
Business combination involving enterprises under the same control																
Others																
II.Beginning balance of current year	3,881,608,005.00			2,682,647,086.15				16,092,197,023.01		51,634,248,548.06		74,290,700,662.22	1,805,346,994.94	76,096,047,657.16		
III.Increase/decrease								3,606,328,972.50		7,808,943,011.02		11,415,271,983.52	246,927,004.03	11,662,198,987.55		

in the current period (decrease indicated with "-")															
(I) Total comprehensive income										19,954,809,594.52		19,954,809,594.52	958,530,815.02	20,913,340,409.54	
(II) Capital paid in and reduced by owners													15,000,000.00	15,000,000.00	
1. Common stocks invested by owners													15,000,000.00	15,000,000.00	
2. Capital invested by other equity instrument holders															
3. Amount of share-based payments recognized in owners' equity															
4. Others															
(III) Profit distribution								3,606,328,972.50		-12,145,866,583.50		-8,539,537,611.00	-726,603,810.99	-9,266,141,421.99	
1. Withdrawal of surplus reserve								3,606,328,972.50		-3,606,328,972.50					
2. Withdrawal of provision for general risk															
3. Distribution to										-8,539,537,611.00		-8,539,537,611.00	-726,603,810.99	-9,266,141,421.99	

owners (or shareholders)																			
4. Others																			
(IV) Internal transfer of owners' equity																			
1. Capital reserve transfer to paid-in capital (or capital stock)																			
2. Surplus reserve transfer to paid-in capital (or capital stock)																			
3. Recovery of losses by surplus reserve																			
4. Carry forward retained earnings in variation of defined benefit plan																			
5. Carry forward retained earnings of other comprehensive income																			
6. Others																			
(V) Special reserves																			



1. Withdrawal of current period															
2. Use of current period															
(VI) Others															
IV. Ending balance of current period	3,881,608,005.00				2,682,647,086.15				19,698,525,995.51		59,443,191,559.08		85,705,972,645.74	2,052,273,998.97	87,758,246,644.71

## Amount of previous period

Unit: RMB Yuan

Item	Year 2019														Total owners' equity
	Owner's equity attributable to parent company													Minority equity	
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserve	Provision for general risk	Undistributed profit	Others	Sub-total		
Preferred share		Perpetual bond	Others												
I. Ending balance of previous year	3,881,608,005.00				2,682,647,086.15				13,120,411,030.42		43,802,603,958.99		63,487,270,080.56	1,632,169,260.55	65,119,439,341.11
Plus: Changes in accounting policy															
Correction of prior errors															
Business combination involving enterprises under the same control															
Others															
II. Beginning balance of current year	3,881,608,005.00				2,682,647,086.15				13,120,411,030.42		43,802,603,958.99		63,487,270,080.56	1,632,169,260.55	65,119,439,341.11
III.									2,971,785,992.59		7,831,644,589.07		10,803,430,581.66	173,177,734.39	10,976,608,316.05



general risk															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal transfer of owners' equity															
1. Capital reserve transfer to paid-in capital (or capital stock)															
2. Surplus reserve transfer to paid-in capital (or capital stock)															
3. Recovery of losses by surplus reserve															
4. Carry forward retained earnings in variation of defined benefit plan															
5. Carry forward retained earnings of other comprehensive income															

6. Others																			
(V) Special reserves																			
1. Withdrawal of current period																			
2. Use of current period																			
(VI) Others																			
IV. Ending balance of current period	3,881,608,005.00				2,682,647,086.15				16,092,197,023.01				51,634,248,548.06				74,290,700,662.22	1,805,346,994.94	76,096,047,657.16

## 8. Statement of Changes in Owners' Equity of Parent Company

Amount of current period

Unit: RMB Yuan

Item	Year 2020											
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury stock	Other compreh ensive income	Special reserves	Surplus reserve	Undistributed profit	Others	Total owners' equity
		Preferred share	Perpetual bond	Others								
I. Ending balance of previous year	3,881,608,005.00				2,682,647,086.15				7,884,654,620.01	34,542,304,965.71		48,991,214,676.87
Plus: Changes in accounting policy												
Correction of prior errors												
Others												
II. Beginning balance of current year	3,881,608,005.00				2,682,647,086.15				7,884,654,620.01	34,542,304,965.71		48,991,214,676.87
III. Increase/decrease in the current period (decrease indicated with "-")									1,579,703,822.94	5,677,796,795.47		7,257,500,618.41
(I) Total comprehensive income										15,797,038,229.41		15,797,038,229.41
(II) Capital paid in and reduced by owners												

1. Common stocks invested by owners												
2. Capital invested by other equity instrument holders												
3. Amount of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution									1,579,703,822.94	-10,119,241,433.94		-8,539,537,611.00
1. Withdrawal of surplus reserve									1,579,703,822.94	-1,579,703,822.94		
2. Distribution to owners (or shareholders)										-8,539,537,611.00		-8,539,537,611.00
3. Others												
(IV) Internal transfer of owners' equity												
1. Capital reserve transfer to paid-in capital (or capital stock)												
2. Surplus reserve transfer to paid-in capital (or capital stock)												
3. Recovery of losses by surplus reserve												
4. Carry forward retained earnings in variation of												

defined benefit plan												
5. Carry forward retained earnings of other comprehensive income												
6. Others												
(V) Special reserves												
1. Withdrawal of current period												
2. Use of current period												
(VI) Others												
IV. Ending balance of current period	3,881,608,005.00				2,682,647,086.15				9,464,358,442.95	40,220,101,761.18		56,248,715,295.28



## Amount of previous period

Unit: RMB Yuan

Item	Year 2019											
	Capital stock	Other equity instruments			Capital reserve	Less: Treasury stock	Other compreh ensive income	Special reserves	Surplus reserve	Undistributed profit	Others	Total owners' equity
		Preferred share	Perpetual bond	Others								
I. Ending balance of previous year	3,881,608,005.00				2,682,647,086.15				6,652,731,832.83	30,053,733,489.62		43,270,720,413.60
Plus: Changes in accounting policy												
Correction of prior errors												
Others												
II. Beginning balance of current year	3,881,608,005.00				2,682,647,086.15				6,652,731,832.83	30,053,733,489.62		43,270,720,413.60
III. Increase/decrease in the current period (decrease indicated with "-")									1,231,922,787.18	4,488,571,476.09		5,720,494,263.27
(I) Total comprehensive income										12,319,227,871.77		12,319,227,871.77
(II) Capital paid in and reduced by owners												
1. Common stocks invested by owners												
2. Capital invested by												

other equity instrument holders												
3. Amount of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution									1,231,922,787.18	-7,830,656,395.68		-6,598,733,608.50
1. Withdrawal of surplus reserve									1,231,922,787.18	-1,231,922,787.18		
2. Distribution to owners (or shareholders)										-6,598,733,608.50		-6,598,733,608.50
3. Others												
(IV) Internal transfer of owners' equity												
1. Capital reserve transfer to paid-in capital (or capital stock)												
2. Surplus reserve transfer to paid-in capital (or capital stock)												
3. Recovery of losses by surplus reserve												
4. Carry forward retained earnings in variation of defined benefit plan												

5. Carry forward retained earnings of other comprehensive income												
6. Others												
(V) Special reserves												
1. Withdrawal of current period												
2. Use of current period												
(VI) Others												
IV. Ending balance of current period	3,881,608,005.00				2,682,647,086.15				7,884,654,620.01	34,542,304,965.71		48,991,214,676.87

### III. Company Profile

#### 1. Company history

Wuliangye Yibin Co., Ltd. (hereinafter referred to as "Company" and the "Company") is a company limited by shares established by Sichuan Yibin Wuliangye Liquor Factory through fund raising on August 19, 1997 with the approval of Document CFH (1997) No.295 issued by Sichuan Provincial People's Government. The Company is mainly engaged in the production and sales of "Wuliangye" and its series liquors, with a registered capital of RMB 3,795.96672 million and registered address: No.150, West Minjiang Road, Yibin, Sichuan.

The Company issued 80 million common shares (in RMB) on-line by fixed price offering at Shenzhen Stock Exchange on April 27, 1998. According to the resolution of the extraordinary general meeting in September 1999, the Company, based on the total capital stock of 320 million shares on June 30, 1999, transferred capital reserve to increase capital stock, increasing 5 shares for every 10 shares and the total capital stock after the conversion was changed to 480 million shares. The Company placed 31.2 million common shares (in RMB) to the original shareholders as approved by the Document ZJGS (2001) No.6 issued by the China Securities Regulatory Commission. The total capital stock after the placement was 511.2 million shares. In August 2001, the Company implemented the interim distribution plan 2001 and issued 4 bonus shares and increased 3 shares for every 10 shares by transferring capital reserve to capital stock, with 357.84 million bonus shares and shares transferred from capital reserve in total. The total capital stock after the issuance and translation was 869.04 million shares. In April 2002, the Company implemented the distribution plan 2001 and issued 1 bonus shares, increased 2 shares by transferring capital reserve to capital stock, and distributed RMB 0.25 (tax inclusive) in cash for every 10 shares, with 260.712 million bonus shares in total. The total capital stock after the issuance and translation was 1,129.752 million shares. In April 2003, the Company implemented the distribution plan 2002 and increased 2 shares for every 10 shares by transferring capital reserve to capital stock for all shareholders, increasing the capital stock by 225.9504 million shares. The total capital stock after the translation was 1,355.7024 million shares. In April 2004, the Company implemented the distribution plan 2003 and issued 8 bonus shares and increased 2 shares by transferring capital reserve to capital stock for every 10 shares, with 1,355.7024 million bonus shares in total. The total capital stock after the issuance and translation was 2,711.4048 million shares.

On March 31, 2006, the Company carried out the shareholder structure reform and the shareholder structure after the reform was as below: 1,817.7869 million shares for state-owned legal person, taking up 67.04% of the total share stock, 493.4 thousand shares for officers, taking up 0.02% of the total share stock, and 893.1245 million shares for other shareholders, taking up 32.94% of the total share stock. The total capital stock remained 2,711.4048 million shares.

In April 2007, the Company implemented the distribution plan 2006 and issued 4 bonus shares and distributed RMB 0.60 (tax inclusive) in cash for every 10 shares, with 1,084.5619 million bonus shares in total. The total capital stock after the issuance and distribution was 3,795.96672 million shares. On April 2, 2008, shares for state-owned legal person decreased by 416.5303 million shares due to the exercise of warrants and became 2,128.3714 million shares, taking up 56.07% of the total capital stock. Other shareholders held 1,667.5954 million shares, taking up 43.93% of the total capital stock.

According to the Notice on Free Transfer of Shares Held by State-owned Shareholders of Wuliangye Yibin Co., Ltd. of the State-owned Assets Supervision and Administration Commission of Sichuan Province (CGZCQ (2012) No.88) and the Reply on Free Transfer of Shares Held by State-owned Shareholders of Wuliangye Yibin Co., Ltd. of the State-owned Assets Supervision and

Administration Commission of the State Council (GZCQ (2012) No.889), Yibin State-Owned Assets Operation Co., Ltd. (renamed as Yibin Development Holding Group Co., Ltd. in 2021) transferred 761,823,343 shares held by it in the Company to Sichuan Yibin Wuliangye Group Co., Ltd. for free on October 10, 2012. After this free transfer of shares, Yibin Development Holding Group Co., Ltd. still held 36% shares of the Company (i.e. 1,366,548,020 shares) and was the first majority shareholder of the Company; Sichuan Yibin Wuliangye Group Co., Ltd., holding 20.07% shares of the Company (i.e. 761,823,343 shares), was the second majority shareholder of the Company.

According to the Reply on Free Transfer of 49% Shares Held by Sichuan Yibin Wuliangye Group Co., Ltd. (YGZW (2016) No.32), the State-owned Assets Supervision and Administration Commission of Yibin Municipal Government transferred 49% shares held by it in Sichuan Yibin Wuliangye Group Co., Ltd. to Yibin Development Holding Group Co., Ltd. for free in 2016. This transfer of shares did not involve in the change of shares held by both parties in the Company, without changing the controlling shareholder and actual controller of the Company.

According to the resolutions of the 11th meeting of the 5th board of directors, annual general meeting 2015, the 19th meeting of the 5th board of directors, the 24th meeting of the 5th board of directors, and annual general meeting 2016 of the Company and as approved by the License ZJXK (2017) No.1910 issued by the China Securities Regulatory Commission, the Company issued 85,641,285 shares by non-public offering by means of targeted issue on April 12, 2018. The total capital stock after the issuance was 3,881.608 million shares, including 2128.3714 million shares for state-owned legal person, taking up 54.83% of the total capital stock, and 1,753.2366 million shares for other shareholders, taking up 45.17% of the total capital stock.

According to the Reply on Approval of Free Transfer of Shares Held by Wuliangye Yibin Co., Ltd. (YGZW (2020) No.157), issued by Yibin State-owned Assets Supervision and Administration Commission, the transfer was approved in principle. On August 24, 2020, Yibin State-Owned Assets Operation Co., Ltd. transferred 30,000,000 shares held by it in the Company to Wuliangye Group Company for free. After this free transfer of shares, Yibin State-Owned Assets Operation Co., Ltd. still held 34.43% shares of the Company (i.e. 1,336,548,020 shares) and was the first majority shareholder of the Company; Wuliangye Group Company, holding 20.4% shares of the Company (i.e. 791,823,343 shares), was the second majority shareholder of the Company. As a result of this transfer of shares, without changing the controlling shareholder and actual controller of the Company, Yibin State-Owned Assets Operation Co., Ltd. remained the controlling shareholder of the Company, and Yibin State-owned Assets Supervision and Administration Commission remained the actual controller of the Company.

## **2. Industry and primary business scope of the Company**

The Company is engaged in the beverage manufacturing industry and its business scope is: Production and operation of liquor products and relevant auxiliary products (bottle caps, trademarks, logos and packaging products). Its main products are "Wuliangye" and its series liquors.

## **3. Approval of financial statements**

These financial statements have been reviewed and approved by the board of directors of the Company on April 25, 2021, and will be submitted to the general meeting for review according to the Articles of Association.

## **4. Scope of consolidated financial statements of current year**

As of December 31, 2020, subsidiaries included in the scope of consolidated financial statements

of the Company were:

Full name of subsidiary	Type of subsidiary	Tier	Shareholding proportion	Proportion of votes
Sichuan Yibin Wuliangye Winery Co., Ltd.	Holding subsidiary	First-tier	99.99%	99.99%
Yibin Wuliangye Liquor Sales Co., Ltd.	Holding subsidiary	First-tier	95.00%	95.00%
Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd.	Holding subsidiary	Second-tier	95.00%	95.00%
Yibin Wuliangchun Brand Marketing Co., Ltd.	Holding subsidiary	Second-tier	95.00%	95.00%
Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.	Holding subsidiary	Second-tier	95.00%	95.00%
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	Holding subsidiary	First-tier	99.95%	99.95%
Yibin Jiangjiu Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.	Holding subsidiary	First-tier	51.00%	51.00%
Sichuan Jinwuxin Technology Co., Ltd.	Holding subsidiary	Second-tier	51.00%	51.00%
Sichuan Jiebeike Environmental Technology Co., Ltd.	Holding subsidiary	Second-tier	26.01%	26.01%
Yibin Changjiangyuan Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Yibin Changjiangyuan Trade Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Changjiangyuan Brewery Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Wuliangye Organic Agriculture Development Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Holding subsidiary	First-tier	90.00%	90.00%
Yibin Xianlin Liquor Marketing Co., Ltd.	Holding subsidiary	Second-tier	90.00%	90.00%
Yibin Wuliangye Xinshengdai Liquor Co., Ltd.	Holding subsidiary	Second-tier	42.30%	42.30%
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	Holding subsidiary	First-tier	98.53%	98.53%
Yibin Xinxing Packaging Co., Ltd.	Holding subsidiary	Second-tier	98.53%	98.53%
Sichuan Yibin Plastic Packaging Materials Company Limited	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Push Group 3D Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Guangdong Foshan Plastic Packaging Materials Company Limited	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.	Holding subsidiary	First-tier	95.00%	95.00%
Wuhou Cultural Development Co., Ltd.	Holding subsidiary	Second-tier	70.30%	70.30%
Yibin Zhenwushan Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Yibin Shiji Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Yibin Cuipingshan Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%

Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Holding subsidiary	First-tier	95.00%	95.00%
Handan Yongbufenli Liquor Co., Ltd.	Holding subsidiary	First-tier	51.00%	51.00%
Linzhang Desheng Wine Trade Co., Ltd.	Holding subsidiary	Second-tier	51.00%	51.00%
Handan Yongbufenli Sales Co., Ltd.	Holding subsidiary	Second-tier	51.00%	51.00%
Huaibin Wubin Consultation Service Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Wuguchun Jiu Ye Co., Henan. China	Holding subsidiary	Second-tier	51.03%	51.03%
Huaibin Tenglong Trade Co., Ltd.	Holding subsidiary	Third-tier	51.03%	51.03%
WU JIU YE SALES CO., HENAN. China	Holding subsidiary	Third-tier	51.03%	51.03%
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	Holding subsidiary	First-tier	80.00%	80.00%
Sichuan Wuliangye Tourist Agency Co., Ltd.	Holding subsidiary	Second-tier	80.00%	80.00%
Yibin Wuliangye Creart Co., Ltd.	Holding subsidiary	First-tier	45.00%	51.00%
Wuliang NongXiang Series Baijiu Yibin Co., Ltd.	Holding subsidiary	First-tier	95.00%	95.00%
Sichuan Wuliangye New Retail Management Co., Ltd.	Holding subsidiary	First-tier	90.00%	90.00%

Refer to the Note "VIII. Changes in consolidation scope" and "IX. Interests in other entities" for the scope of consolidated financial statements of current period and its changes.

#### IV. Preparation basis of financial statements

##### 1. Preparation basis

The financial statements of the Company are prepared on the basis of going concern and the recognition and measurement are made at actual transactions and matters in accordance with the Accounting Standards for Business Enterprises-Basic Standards issued by the Ministry of Finance and the specific Accounting Standards for Business Enterprise, Guidelines for Application of Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as "Accounting Standards for Business Enterprise"), combining with the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports (2014 revision) issued by China Securities Regulatory Commission on this basis.

##### 2. Going concern

The Company has the ability of going concern for at least 12 months from the end of the reporting period, and there is no major event affecting the ability of going concern.

#### V. Significant accounting policy and accounting estimates

Specific accounting policy and accounting estimates:

The contents disclosed below cover the specific accounting policies and accounting estimates formulated by the Company according to the actual production and operation characteristics.

##### 1. Note on compliance with Accounting Standards for Business Enterprises

The Company states that the financial statements prepared comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial position, operating results, cash flows and other relevant information.

##### 2. Accounting period

From January 1 to December 31 of each calendar year.

**3. Operating cycle**

The Company's operating cycle is 12 months.

**4. Bookkeeping currency**

RMB is used as the bookkeeping currency and reporting currency of the Company.

**5. Accounting methods for business combination involving enterprises under and not under the same control****(1) Business combination involving enterprises under the same control**

The assets and liabilities acquired by the combining party through business combination involving enterprises under the same control are measured at the share of owner's equity of the combined party in the book value on consolidated statements of the final controlling party on the combination date. The difference between the book value of the net assets obtained by the combining party and the book value of consideration paid for the combination (or total par value of the shares issued) is adjusted against capital stock premium in the capital reserve; if the capital reserve is not sufficient for writing down, the retained earnings shall be adjusted. All the direct costs incurred by the combining party for the business combination shall be recorded into current profit/loss when incurred.

**(2) Business combination involving enterprises not under the same control**

In case of business combination involving enterprises not under the same control, the combination costs shall be the fair values of the assets paid, liabilities incurred or assumed and the equity securities issued on the date of acquisition by the acquirer in exchange for control on the acquiree.

For a business combination involving enterprises not under the same control achieved through step-by-step implementation of multiple transactions, related accounting treatment shall be carried out by distinguishing individual financial statements from consolidated financial statements:

① In the individual financial statements, the sum of book value of the equity investment held in the acquiree prior to the date of acquisition and cost of the new investment on the date of acquisition shall be taken as the initial cost of such investment; Where the equity held in the acquiree prior to the date of acquisition involves other comprehensive income, the other comprehensive income related to such investment shall be transferred to current investment income.

② In the consolidated financial statements, the equity held in the acquiree prior to the date of acquisition shall be re-measured at the fair value of such equity on the date of acquisition, and the difference between its fair value and its book value shall be recorded into the current investment income; Where the equity held in the acquiree prior to the date of acquisition involves other comprehensive income, the other comprehensive income related to such investment shall be transferred to current investment income on the date of acquisition.

The intermediary expenses such audit, legal service, evaluation and consultation and other administrative expenses incurred by the acquirer for the business combination shall be recorded into current profit/loss; the transaction expenses for issuing equity securities or debt securities by the acquirer as consideration of the combination shall be recorded into the initial recognition amount of the equity securities or debt securities.

Identifiable assets, liabilities and contingent liabilities obtained from the acquiree in the business combination involving enterprises not under the same control shall be measured at the fair value on the date of acquisition. Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's net identifiable assets obtained in the combination, the difference shall be recognized as goodwill. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's net identifiable assets obtained in the combination, the acquirer shall first recheck the fair



values of the acquiree's identifiable assets, liabilities and contingent liabilities obtained in the combination and the combination cost. Where the combination cost is still less than the acquirer's interest in the fair value of the acquiree's net identifiable assets obtained in the combination, the difference shall be recorded into the current profit/loss.

## **6. Methods for preparing consolidated financial statements**

(1) Principles for determining the scope of consolidated financial statements:

The scope of consolidated financial statements is determined on the basis of control, including the Company and the subsidiaries under its control. Control means that the Company has the power over the invested company, gets variable return by participating in related activities of the invested company and has the ability to influence the amount of the return by its power over the invested company.

(2) Methods for preparing consolidated financial statements:

The parent company shall prepare the consolidated financial statements based on its financial statements and those of its subsidiaries and according to other relevant information. The share of the subsidiaries in current profit/loss attributable to minority equity shall be presented in the consolidated income statement as "minority interest income" under the net profit. The share in current comprehensive income of the subsidiaries which is attributable to minority equity shall be presented in the consolidated income statement as "total comprehensive income attributable to minority shareholders" under the total other comprehensive income.

For subsidiaries and businesses of the parent company added by business combination involving enterprises under the same control during the reporting period, the revenue, expenses, and profits of such subsidiaries and businesses from the beginning to the end of the period of business combination shall be recorded into the consolidated income statement. Cash flows of such subsidiary and businesses from the beginning to the end of the year of business combination shall be recorded into the consolidated cash flow statement, and relevant items of the statements shall be adjusted through comparison of the statements, as if the reporting entity after the combination had been existing from control of the final controlling party after the combination comes into effect.

For subsidiaries and businesses added by business combination involving enterprises not under the same control or other means, the revenue, expenses, and profits of such subsidiaries and businesses from the date of acquisition to the end of reporting period shall be recorded into the consolidated income statement. Cash flows of such subsidiary from the date of acquisition to the end of reporting period shall be recorded into the consolidated cash flow statement.

When the parent company disposes subsidiaries and businesses during the reporting period, the revenue, expenses, and profits of such subsidiary and business from beginning of the reporting period to the date of disposal shall be recorded into the consolidated income statement; Cash flows of such subsidiary and business from beginning of the reporting period to the date of disposal shall be recorded into the consolidated cash flow statement.

In the consolidated financial statements, when the Company acquires the equity held by the minority shareholders in the subsidiary, the difference between the long-term equity investment obtained by acquiring minority equity and the share of the net assets to be enjoyed and continuously calculated from the date of acquisition or combination according to the new increase in shareholding proportion shall be adjusted against the capital reserve (capital premium or capital stock premium). If the capital reserve is not sufficient for writing down, the retained earnings shall be adjusted.

## **7. Classification of joint venture arrangements and accounting methods for joint operations**

Joint venture arrangements include joint operations and joint ventures.

Joint operation refers to a joint arrangement where the Company is a party to the joint venture and owns its relevant assets and bears its relevant liabilities.

The Company shall recognize the following items related to share of interests and treat them according to relevant Accounting Standards for Business Enterprise:

(1) Recognize assets solely held by the Company, and those jointly owned assets according to the Company's share;

(2) Recognize liabilities solely assumed by the Company, and those jointly assumed liabilities according to the Company's share;

(3) Recognize revenue from sales of the share that the Company enjoys in the output of joint operation;

(4) Recognize revenue from sales in the joint operation according to the Company's share;

(5) Recognize expenses solely incurred, and those incurred for joint operation according to the Company's share.

Refer to the Note "long-term equity investment" for the accounting policy of the Company for investments in joint venture.

## **8. Recognition criteria for cash and cash equivalents**

Cash of the Company refers to cash on hand and deposits that can be used for payment at any time; cash equivalents refer to the short-term (no more than three months since the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

## **9. Foreign currency transaction and foreign currency statement translation**

(1) Accounting methods of foreign currency transaction:

Foreign currency transaction shall be translated into the bookkeeping currency at the benchmark exchange rate (which is generally refers to the middle rate of the current foreign exchange rate published by the People's Bank of China, the same below) published by the People's Bank of China on the transaction date; at the end of the period, foreign currency monetary items shall be translated at the ending spot exchange rate; non-monetary items in foreign currency measured at historical cost shall be translated at the spot exchange rate prevailing on the transaction date; monetary items in foreign currency and measured at the fair value shall be translated at the spot exchange rate prevailing on the date of determining fair value. The difference arising from translation shall be recorded into the construction cost of relevant fixed assets if in connection with acquisition and construction of the fixed assets which has not yet reached its intended condition for use; shall be recorded into administrative expenses if incurring during the preparation period and not in connection with acquisition and construction of fixed assets; and shall be recorded into current financial expenses if incurring during the production and operation period.

(2) Translation methods for foreign currency financial statements:

The assets and liabilities in the balance sheet shall be translated at the spot rate on the balance sheet date; all items of owners' equity, except for undistributed profit, shall be translated at the spot exchange rate at the time of incurrence.

The revenues and expenses in the income statement shall be translated at the spot exchange rate on the date of transaction. The translation difference of the foreign currency financial statements arising from the translation shall be separately presented under the owner's equity in the balance sheet.

The cash flows in foreign currency and cash flows of overseas subsidiaries shall be translated at the spot exchange rate on the date of incurrence of the cash flows.

## 10. Financial instruments

Financial instruments refer to any contract that gives rise to a financial asset of a party and financial liabilities or equity instruments of other parties.

### (1) Recognition and de-recognition of financial instruments

The Company shall recognize relevant financial assets or financial liabilities when becoming a party of the financial instrument contract.

The financial assets shall be derecognized when meeting any of the following conditions: 1) The contractual right to charge the cash flow of the financial assets is terminated; 2) The financial assets have been transferred and the Company has transferred almost all risks and remuneration of the financial assets ownership to the transferee; and 3) The financial assets have been transferred and the Company does neither transfer nor retain almost all risks and remuneration of the financial assets ownership but gives up the control over the financial assets.

The financial liabilities (or part thereof) shall be derecognized only when the existing obligation (or part thereof) has been discharged.

For the purchase or sale of financial assets in a conventional way, the Company shall recognize the assets to be received and the liabilities to be assumed on the date of transaction, or derecognize the assets sold on the date of transaction.

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

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the financial assets of the Company are classified into: financial assets measured at the amortized cost; financial assets at through other comprehensive income; financial assets at fair value through profit or loss.

#### 1) Initial measurement of financial assets

Financial liabilities, upon initial recognition, shall be measured at fair value. For financial assets at fair value through profit or loss, relevant transaction expenses shall be directly recorded into current profit or loss; for other categories of financial assets, relevant transaction expenses shall be recorded into the initial recognition amount. For notes receivable and accounts receivable arising from sales of goods or provision of service which do not include or consider the compositions of major assets, the Company shall take the consideration expected to be received as the initial recognition amount.

#### 2) Subsequent measurement of financial assets

##### ① Investments in debt instruments measured at amortized cost

The business model of the Company for managing such financial assets aims at obtaining contractual cash flow, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement, namely the cash flow arising on a specific date, which are solely payments of principal and interest on the principal amount outstanding. The Company subsequently measures such financial assets at amortized costs by effective interest method. The gain or loss from their amortization, impairment and derecognition shall be recorded into current profit or loss.

##### ② Investments in debt instruments at fair value through other comprehensive income

The business model of the Company for managing such financial assets aims at receiving contractual cash flow as well as selling, and the characteristics of contractual cash flow of such financial assets are basically the same as basic borrowing arrangement. Such financial assets shall be measured at fair value, with the changes recorded into other comprehensive income, but the impairment loss, exchange gain or loss and interest revenue calculated by effective interest method

shall be recorded into current profit or loss. The accumulative gains or losses which are previously recorded into other comprehensive income shall be transferred out from other comprehensive income and recorded into current profit or loss upon derecognition.

③ Investment in debt instruments at fair value through profit or loss

The Company classifies debt instruments held which are not classified as debt instruments measured at amortized cost and debt instruments at fair value through other comprehensive income as financial assets at fair value through profit or loss. For eliminating or significantly reducing accounting mismatch upon initial recognition, financial assets may be designated as financial assets at fair value through profit or loss. Such financial assets shall be subsequently measured at fair value with all changes in fair value recorded into current profit or loss. Only when the Company changes the business model of managing financial assets, shall relevant financial assets being affected be reclassified.

④ Investments in equity instruments at fair value through other comprehensive income

The Company designates some of the investments in non-trading equity instrument as financial assets at fair value through other comprehensive income upon initial recognition. The Company records relevant dividends income into current profit or loss, with changes in fair value recorded into other comprehensive income. The accumulative gains or losses which are previously recorded into other comprehensive income shall be transferred from other comprehensive income to retained earnings instead of current profit or loss upon derecognition of such financial assets.

(3) Recognition basis and measurement methods for transfer of financial assets

If the Company has transferred almost all risks and remuneration of the financial assets ownership to the transferee, the financial assets shall be derecognized; if the Company retain almost all risks and remuneration of the financial assets ownership, the financial assets shall not be derecognized.

The Company does neither transfer nor retain almost all risks and remuneration of the financial assets ownership but gives up the control over the financial assets, such financial assets shall be derecognized and the rights or obligations arising or retained during the transfer shall be separately recognized as assets or liabilities; if control over the financial assets is retained, relevant financial assets shall be continuously recognized according to the extent of involving in the financial assets transferred and relevant liabilities shall be recognized accordingly.

(4) Classification and measurement of financial liabilities

Financial liabilities shall be classified as financial liabilities measured at amortized cost and financial liabilities at fair value through profit or loss upon initial recognition.

1) Initial measurement of financial liabilities

Any financial liability meeting any of the following conditions can be designated upon initial measurement as the financial liabilities at fair value through profit or loss: ① This designation can eliminate or significantly reduce accounting mismatch; ② According to the risk management or investment strategy of the Company as stated in formal written document, the portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and evaluated on the basis of fair value, and reported to the key management on the basis of this inside the Company; ③ This financial liability contains embedded derivative to be separately split.

The Company shall determine classification of the financial liabilities upon initial recognition. For financial liabilities at fair value through profit or loss, relevant transaction expenses shall be directly recorded into current profit or loss; relevant transaction expenses of financial liabilities measured at amortized cost shall be recorded into the initial recognition amount.

2) Subsequent measurement of financial liabilities

① Financial liabilities measured at amortized cost: The Company subsequently measures such financial liabilities at amortized costs by effective interest method. The gain or loss from derecognition or amortization shall be recorded into current profit/loss.

② Financial liabilities at fair value through profit or loss: Including trading financial liabilities (including derivative instruments belonging to financial liabilities) and the financial liabilities at fair value through profit or loss upon initial recognition.

Trading financial liabilities (including derivative instruments belonging to financial liabilities) shall be subsequently measured at fair value (except for those concerning hedge accounting) with changes in fair value recorded into current profit or loss.

For financial liabilities designated as measured at fair value through profit or loss, changes in fair value arising from change of the credit risk of the Company shall be recorded into other comprehensive income; accumulative gain or loss previously recorded into other comprehensive income shall be transferred from other comprehensive income to retained earnings. Other changes in fair value shall be recorded into current profit or loss. If previous accounting treatment may cause or expand the accounting mismatch in profit or loss, all gains or losses of such financial liabilities (including the amount affected by change in credit risk of the Company) shall be recorded into current profit or loss.

(5) Offset of financial assets and financial liabilities

When the following conditions are met at the same time, the financial assets and financial liabilities shall be presented as net amount after offset in the balance sheet: The Company has the legal right to offset the recognized amount and may exercise such legal right currently; the Company plans to settle with net amount or realize the financial asset and pay off the financial liability simultaneously.

(6) Fair value determination of financial instruments

For financial instruments with active market, the fair value shall be determined by the quotation in the active market. For financial instruments without active market, the fair value shall be determined by valuation technique. The Company shall adopt the valuation technique which is applicable in current situation and supported by sufficient available data and other information for valuation. The Company shall choose inputs which are consistent with the characteristics of assets or liabilities considered by the market participant in the transaction of relevant assets and liabilities, and give priority to relevant observable inputs. If it is impossible or impractical to obtain relevant observable inputs, the Company may use unobservable inputs.

(7) Impairment of financial instruments

The Company shall recognize provisions for loss of the financial assets measured at the amortized cost, investments in debt instruments at fair value through other comprehensive income, contract asset, lease receivables, loan commitment and financial guarantee contracts based on the expected credit loss.

The expected credit loss refers to the weighted average credit loss of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows discounted by the Company at the original effective interest rate and receivable according to the contract and all expected cash flows received, namely the present value of all cash shortage. Among which, the financial assets purchased or originated that have suffered from credit impairment shall be discounted at the effective interest rate of the financial assets after credit adjustment.

Lifetime expected credit loss refers to the expected credit loss possibly incurred during the expected lifetime of financial instruments due to defaults.

12-month expected credit loss refers to expected credit loss possibly incurred within 12 months (if

the expected lifetime of the financial instrument is less than 12 months, the expected lifetime) after the date of balance sheet due to possible defaults of financial instruments and is an integral part of the lifetime expected credit loss.

On the date of balance sheet, the Company measured the expected credit loss of financial instruments at different stages, respectively. If the credit risk of a financial instrument has not increased significantly since the initial recognition, the financial instrument is in the Stage 1, and the Company measures the provisions for loss according to the 12-month expected credit loss; if the credit risk of a financial instrument has increased significantly but the credit impairment has not yet occurred since the initial recognition, the financial instrument is in the Stage 2, and the Company measures the provisions for loss according to the lifetime expected credit losses; if the financial instrument has suffered credit impairment since the initial recognition, it is in the Stage 3, and the Company measures the provisions for loss according to the lifetime expected credit loss.

For a financial instrument with low credit risk on the date of balance sheet, the Company assumes that the credit risk has not increased significantly since the initial recognition, and the Company measures the provisions for loss according to the 12-month expected credit loss.

For financial instruments with low credit risk in the Stage 1 and Stage 2, the Company shall calculate the interest revenue according to the book balance and effective interest rate before deducting the provisions for impairment. For financial instruments in the Stage 3, the Company shall calculate the interest revenue according to the amortized cost and effective interest rate of the book balance after withdrawing the provisions for impairment.

For notes receivable and accounts receivable, regardless of whether there is a major financing, the Company shall always consider all reasonable and sound information, including prospective information, to estimate expected credit loss of the above accounts receivable individually or in combination and adopt the simplified model of expected credit loss. The Company shall always measure the provisions for loss according to the lifetime expected credit loss.

#### 1) Accounts receivable

① If there is objective evidence indicating that impairment has occurred in an account receivable, impairment test shall be carried out separately on it, such as accounts receivable in dispute with counterparties or involved in litigation or arbitration; if there is obvious indication that the debtor is likely to fail to comply with the repayment obligation, the impairment loss shall be recognized and the bad debt provisions shall be made based on the balance between the present value of future cash flows and its book value.

② If there is no objective evidence indicating that impairment or the credit loss of a single financial assets cannot be evaluated at reasonable cost, the accounts receivable shall be classified into several groups by characteristics of credit risk. The expected credit loss shall be calculated based on the combinations. Basis for determining the combinations is as below:

Item	Determination basis
Bank acceptance bill group	Bank acceptance bill
Commercial acceptance bills group	Commercial acceptance bills
Accounts receivable group	Receivables from related parties
Accounts receivable group	External customer
Other accounts receivable group	Receivables from and payables to related parties



Other accounts receivable group	Reserve fund, deposits and other receivables with low credit risk
Other accounts receivable group	Other amounts

For accounts receivable divided into risk groups, the Company, with reference to historical experience in credit loss and based on current situation and forecast of future economic situation, shall prepared a comparison table between the aging of accounts receivable and the lifetime expected credit loss rate to calculate the expected credit losses. For other groups, the Company, with reference to historical experience in credit loss and based on current situation and forecast of future economic situation, shall calculate the expected credit losses according to the exposure at default and the 12-month or lifetime expected credit loss rate.

## 2 ) Debt investments and other debt investments

For debt investment and other debt investments, the Company shall calculate the expected credit loss according to the nature of investment, types of counterparty and risk exposure, exposure at default and the 12-month or lifetime expected credit loss rate.

The Company shall record the provision or reversal for loss made or recorded into current profit or loss. For investment in debts instruments at fair value through other comprehensive income, the Company shall adjust other comprehensive income when the impairment loss or gain is recorded into current profit or loss; for financial assets measured at amortized cost, the provision for loss shall offset the book value of such financial assets.

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

## 11. Inventory

### (1) Classification of inventory

Inventories mainly include raw materials, packing materials, self-manufactured semi-finished products, goods in process, inventory of goods, turnover materials, etc.

### (2) Valuation method of inventory

Grains, raw coal and auxiliary materials for producing liquor are measured at actual cost and priced by weighted average method when sent out; paper, printing ink, and auxiliary materials for producing printed matters are measured at planned cost when purchased and sent out, with the difference between actual cost and planned cost recorded into "materials cost difference". The difference to be amortized by the materials sent out shall be calculated by materials cost difference by category at the end of the month, so as to adjust cost of the materials sent out into actual cost; goods in process, self-manufactured semi-finished products, and finished products are measured at actual cost and priced by weighted average method when sent out.

(3) Determination basis of net realizable value of inventory and methods for provision of inventory falling price reserves

On the date of balance sheet, the inventories shall be measured at the lower of cost and net realizable value. If cost of the inventories is higher than the net realizable value, a provision for inventory falling price reserves shall be made and recorded into current profit or loss.

Net realizable value refers to the amount after deducting the cost estimated until completion, estimated selling expenses, and relevant taxes from the estimated selling price of the inventory.

The Company shall determine the net realizable value of inventories based on solid evidence obtained and after taking into consideration the purpose for which the inventory is held, and the impact

of post-balance sheet events. Materials held for use in the production of inventories are measured at cost if the net realizable value of the finished products in which they will be incorporated is higher than their cost; decline in the price of materials indicates that the cost of the finished products exceeds their net realizable value, the materials are measured at net realizable value. The net realizable value of inventory held to satisfy sales or service contracts is based on the contract price. If the quantities held by an enterprise is higher than the quantities of inventories specified in sales contracts, the net realizable value of the excess portion of inventories shall be based on general selling price.

Any of the following circumstances usually indicates that net realizable value of an inventory is lower than the cost.

1) Market price of the inventory declines continuously and there is no hope of rising in the foreseeable future.

2) The cost of products produced by the Company with such raw materials is higher than the selling price of the product.

3) The raw material inventory no longer satisfies the needs of new products due to upgrade of products, and the market price of the raw material is lower than the book cost.

4) The market price declines gradually due to obsolete goods or service provided by the Company, or change of market demands due to change of consumer preference.

5) Other circumstances which are sufficient to prove substantial impairment of the inventory.

The Company shall usually determine the falling price reserves of inventories on an item-by-item basis. For inventories in large amount and low unit price, provision for inventory falling price reserves may be made by category of the inventories. For item of inventories relating to a product line that is produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practically measured separately from other items, provision for inventory falling price reserves may be made on an aggregate basis.

The Company shall determine the net realizable value of inventories on the date of balance sheet. When factors causing written-down of the inventory value disappear, the amount written down shall be recovered and will be reversed from the provided inventory falling price reserves. The amount reversed will be recorded into current profit or loss.

#### (4) Inventory system

The inventory system is a perpetual inventory system.

#### (5) Amortization method for low-value consumables

Low-value consumables shall be amortized according to one-off amortization method.

## 12. Contract asset and contract liability

Under the contract between the Company and the customer, the Company shall be entitled to receive the contract price for the goods transferred to the customer and for the related services provided, while at the same time assuming the performance obligation to transfer the goods or services to the customer. When the customer has actually paid the contract consideration or the enterprise has transferred goods or services to the customer before such consideration is due and payable, the right to receive the consideration for the transferred goods or services should be presented as a contract asset and recognized as an accounts receivable when the unconditional right to receive is obtained; conversely, the Company's obligation to transfer goods or services to the customer for the consideration received or receivable from the customer should be presented as a contract liability. Any contract liability shall be recognised as revenue when the Company fulfils its obligation to transfer



goods or provide services to the customer. The Company presents contract asset and contract liability under the same contract on a net basis.

### 13. Assets held for sale

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

The Company classifies non-current assets or disposal groups that meet both of the following conditions as assets held for sale: 1) Assets or disposal groups can be sold immediately under current conditions based on the practice of selling such assets or disposal groups in similar transactions; 2) Sales are highly likely to occur, that is, the Company has already made a resolution on a sale plan and obtained a certain purchase commitment, and the sale is expected to be completed within one year.

Non-current assets or disposal groups specifically obtained by the Company for resale shall be classified by the Company as held-for-sale on the acquisition date when they meet the stipulated conditions of “expected to be sold within one year” on the acquisition date, and may well satisfy the category of held-for-sale within a short time (which is usually 3 months).

If the transaction between non-related parties fails to be completed within one year due to one of the following circumstances which is over the control of the Company, and the Company still promises to sell the non-current assets or disposal groups, the Company should continue to classify the non-current assets or disposal groups as held-for-sale: 1) The purchaser or other party unexpectedly sets conditions that lead to extension of the sale. The Company has already acted on these conditions in a timely manner and it is expected to be able to successfully deal with the conditions that led to the extension of the sale within one year after the conditions were set; 2) Due to unusual circumstances, the non-current assets or disposal groups held-for-sale failed to be sold within one year. In the first year, the Company has taken necessary measures for these new conditions and the assets or disposal groups meet the conditions of held-for-sale again.

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

##### 1) Initial measurement and subsequent measurement

When the Company initially measures or remeasures non-current assets or disposal groups held for sale on the date of balance sheet, if the book value is higher than the fair value minus the net amount of the sale costs, the book value will be written down to the net amount of fair value minus the sale costs. The amount written down will be recognized as asset impairment loss and recorded into current profit and loss, and provision for impairment of assets held for sale will be made.

Non-current assets or disposal groups classified as held-for-sale on the date of acquisition shall be measured at the lower of net amount of initial measurement amount minus sales cost and that of fair value minus selling expenses, assuming they were not classified as held-for-sale during initial measurement. Except for non-current assets or disposal groups acquired from business combination, the difference arising from taking the net amount of fair value minus sales cost as initial measurement amount of the non-current assets or disposal groups shall be recorded into current profit or loss.

For the recognized amount of asset impairment loss of the disposal groups held for sale, the book value of goodwill of the disposal groups shall be offset first, and then the book value of various non-current assets in the disposal groups shall be offset by proportions.

Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or amortization. Interest and other expenses of liabilities in the disposal group held for sale shall still be recognized.

##### 2) Accounting treatment for reversal of asset impairment loss

If the net amount that the fair value of the non-current assets held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored and reversed from the asset impairment loss recognized after the assets being classified as held-for-sale. The reversed amount shall be recorded into the current profit or loss. The asset impairment loss recognized before being classified as held-for-sale shall not be reversed.

If the net amount that the fair value of the disposal groups held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored and reversed from the asset impairment loss recognized for non-current assets after the assets being classified as held-for-sale. The reversed amount will be recorded into the current profit or loss. The book value of goodwill which had been written down and the asset impairment loss recognized before being classified as held-for-sale shall not be reversed.

For the recognized amount of asset impairment loss of the disposal groups held for sale which is reserved subsequently, the book value shall be increased according to the proportion of book value of various non-current assets (except for goodwill) in the disposal groups.

### 3) Accounting treatment for assets no longer classified as held-for-sale and derecognition

When a non-current assets or disposal group ceases to be classified as held-for-sale or a non-current asset is removed out from the disposal group held for sale due to failure in meeting the classification conditions for the category of held-for-sale, it will be measured by one of the followings, whichever is lower: ① Amount after adjusting the book value before being classified as held for sale according to the depreciation, amortization or impairment that would have been recognized under the assumption that it was not classified as held for sale; ② The recoverable amount.

The gain or loss not yet recognized shall be recorded into current profit or loss when recognizing the non-current assets or disposal groups held for sale.

## 14. Long-term equity investment

### (1) Determination of initial investment cost

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

1) For the long-term equity investment in subsidiaries acquired through business combination involving enterprises under the same control, the share of the book value of the owners' equity of the combined party in the ultimate controller's consolidated financial statements on the date of combination shall be taken as the initial investment cost of the long-term equity investment. The capital stock premium of the capital reserve shall be adjusted with the difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid; If the capital stock premium of the capital reserve is insufficient for writing down, the retained earnings shall be adjusted.

2) For long-term equity investments in subsidiaries acquired through business combinations involving enterprises not under the same control, initial investment cost of the investment shall be the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the Company in exchange for control over the acquiree on the date of acquisition. For long-term equity investment in subsidiaries acquired through business combination involving enterprises not under the same control implemented by multiple transactions, the initial investment cost shall be the sum of the book value of equity investment held by the Company in the acquiree before the date of acquisition and the cost of new investment on the date of acquisition.

② For long-term equity investment acquired by cash payment, the initial investment cost shall be the purchase price actually paid. The initial investment cost includes fees, taxes and other necessary

expenses directly related to acquire the long-term equity investment.

③ For long-term equity investment acquired by issuing equity securities, the initial investment cost of long-term equity investment obtained by issuing of equity securities shall be the fair value of issuing the equity securities.

④ The initial investment cost of long-term equity investment obtained by the exchange of non-monetary assets shall be the fair value of the assets surrendered and relevant taxes payable if the exchange of non-monetary assets has commercial nature and the fair value of the assets received or surrendered may be reliably measured, unless there is conclusive evidence providing that fair value of the assets received is more reliable; For exchange of non-monetary assets not meeting the above conditions, the initial investment cost shall be the book value of the assets surrendered and relevant taxes payable.

⑤ The initial investment cost of a long-term equity investment obtained by debt restructuring shall be recognized at the fair value.

#### (2) Subsequent measurement and profit & loss recognition methods

The long-term equity investment in subsidiaries is measured by the cost method. Long-term equity investment calculated by cost method shall be priced at the initial investment cost. The cost of long-term equity investment shall be adjusted when the investment is added or recovered. The cash dividends or profits declared to be distributed by the invested company should be recognized as current investment income.

The long-term equity investment in associates and joint ventures is accounted by the equity method.

If the initial cost of long-term equity investment is greater than the fair value of identifiable net assets of the invested company gained from the investment, the initial cost of long-term equity investment shall not be adjusted; If the initial investment cost is smaller than the fair value of identifiable net assets of the invested company gained from the investment, the difference shall be recorded into current profit or loss, and the cost of long-term equity investments shall be adjusted.

After the Company obtains a long-term equity investment, it shall, in accordance with the share of the net profits and other comprehensive income of the invested company to be enjoyed or shared, recognize the investment income and other comprehensive income respectively, and adjust the book value of the long-term equity investment. The Company shall, in accordance with the share in the profits or cash dividends declared and distributed by the invested company, decrease the book value of the long-term equity investment accordingly.

As for other changes in owners' equity except for the net profit and loss, other comprehensive income and profit distribution of the invested company, the Company shall adjust the book value of the long-term equity investment and record it into the owners' equity. When the share of the net profit or loss of the invested company is recognized, the net profit of the invested company shall be adjusted and recognized according to the fair value of the net identifiable assets of the invested company when the investment is made.

For the transactions between the Company and associates and joint ventures, the unrealized gains and losses of the internal transactions shall be offset by the proportion attributable to the Company, and the investment income is recognized accordingly. The unrealized loss of internal transactions incurred by the Company and the invested company attributable to asset impairment loss shall not be offset.

The Company shall recognize the net losses of the invested company until the book value of the

long-term equity investment and other long-term rights and interests which substantially form the net investment made to the invested company are reduced to zero, unless the Company has the obligation to undertake extra losses. If the invested company realizes a net profit in the subsequent period, the Company shall restore the recognition of its share in profits after its share in profits offsets the share in unrecognized losses.

If the accounting policy and accounting period adopted by the invested company is inconsistent with those adopted by the Company, financial statements of the invested company shall be adjusted and investment income and other comprehensive income shall be recognized according to the accounting policy and accounting period of the Company.

### (3) Disposal of long-term equity investments

In disposal of the long-term equity investment, the balance between the book value and the actual price at which the investment is obtained shall be recorded into current profit or loss.

For long-term equity investment accounted by the equity method, the part of the investment originally recorded into other comprehensive income shall be accounted for on the same basis as the invested company's direct disposal of the relevant assets or liabilities when disposed. The owners' equity recognized as a result of changes in other owners' equity other than net profit or loss, other comprehensive income, and profit distribution of the invested company is carried forward proportionally into current profit or loss, except for other comprehensive income arising from changes due to remeasurement of net liabilities or net assets of the defined benefit plan.

In case of loss of common control or significant influence on the invested company due to disposal of part of the equity investments, residual equity will be accounted by the recognition and measurement criterion for financial instruments. The difference between the fair value on the date of losing common control or significant influence and the book value shall be recorded into current profit or loss. Other comprehensive income recognized due to accounting of the original equity investment by equity method shall be accounted for on the same basis as the invested company's direct disposal of the relevant assets or liabilities when stop using equity method. Owner's equity recognized due to other changes in other owners' equity other than the net profit or loss, other comprehensive income and profit distribution of the invested company will all be carried forward into current profit or loss when stop using equity method.

If the Company disposes of part of the equity investment and loses control over the invested company, and if the remaining equity after disposal can implement joint control or exert significant influence on the invested company, it shall be accounted for using the equity method when the individual financial statements are prepared, and the equity shall be adjusted as if the remaining equity had been accounted for using the equity method since acquired; if the remaining equity after disposal cannot implement joint control or exert significant influence on the invested company, it shall be subject to accounting treatment in accordance with the relevant provisions of the criteria for recognition and measurement of financial instruments. The difference between the fair value and the book value on the date of losing control shall be included in the current profit or loss.

If the disposed equities are acquired by the business combination due to the reasons such as additional investment, the remaining equities after the disposal shall be calculated based on the cost method or equity method in preparing the individual financial statements, and other comprehensive income and other owners' equity recognized because of the equity method adopted for the calculation of the equity investment held prior to the purchase date are carried forward in proportion; if the

remaining equities after the disposal shall be changed to be accounted in accordance with the recognition and measurement criterion for financial instruments, other comprehensive income and other owners' equity shall be carried forward in full.

(4) Determination basis of common control and significant influence on the invested company

Common control means common control over an arrangement according to relevant provisions, and the decision-making for relevant activities of such arrangement needs unanimous agreement of all participants sharing the control.

Significant influence means having the power to participate in decision-making of the financial and operating policies of the invested company, but not the power to control or jointly control the formulation of these policies together with other parties.

## 15. Fixed assets

### (1) Recognition conditions

Fixed assets refer to tangible assets which are held for producing goods, providing services, renting or operation and management and with service life more than one year and high unit value. Costs of outsourced fixed assets include purchase price, import duty and other relevant taxes, and other expenditure incurred before and for making the fixed assets reaching its intended condition for use directly attributable to such assets. Book value of self-constructed fixed assets shall be the necessary expenditures incurred before and for making the fixed assets reaching its intended condition for use. Book value of fixed assets invested by investors shall be the value recognized by the investors. Subsequent expenditures related to fixed assets shall be recorded into the cost of fixed assets if meeting the recognition conditions for fixed assets, and shall be recorded into current profit or loss if not meeting the recognition conditions for fixed assets.

### (2) Depreciation method

Category	Depreciation method	Depreciation life	Residual rate	Yearly depreciation rate
Houses and buildings	Straight-line method	25-30 years	3% -5%	3.17 - 3.88%
General equipment	Straight-line method	10-12 years	3% -5%	7.92 - 9.70%
Special equipment	Straight-line method	8 years	3% -5%	11.18 - 12.13%
Transportation equipment	Straight-line method	6 years	3% -5%	15.83 - 16.17%
Other equipment	Straight-line method	6 years	3% -5%	15.83 - 16.17%

Fixed assets are recorded at actual cost at the time of acquisition and depreciated using the straight-line method (the straight-line depreciation) from the second month after they reach their intended serviceable condition.

### (3) Recognition basis, valuation and depreciation methods of fixed assets under financing lease

The fixed assets under financing lease are recognized if one of the following conditions is specified by the Company and the leaser in their lease agreement: ① Upon the expiration of the lease term, the ownership of the leased asset belongs to the Company; ② The Company has the option to purchase the asset and the purchase price is far lower than the fair value of such asset at the time of exercising the option; ③ The lease term covers most of the useful life of the leased asset; ④ There

is no large difference between the present value of the minimum lease payments on the commencement date of lease and fair value of the assets. On the commencement date of lease, book value of the leased assets is the lower of the fair value of the leased assets and the present value of the minimum lease payments, and minimum lease payments shall be taken as the book value of the long-term payables, with the difference recognized as unrecognized financing costs.

## 16. Construction in progress

(1) For construction in progress, book value of the fixed assets shall be the necessary expenditures incurred before the assets reaching its intended condition for use.

(2) Cost of fixed assets that have reached the intended condition for use but for which the completion settlement has not been handled shall be recognized at the estimated value, and depreciation shall be provided; Adjustment shall be made to the originally and provisionally estimated value based on the actual cost after the completion settlement is handled, but depreciation already provided shall not be adjusted.

## 17. Borrowing costs

(1) Recognition principles of borrowing costs:

Interest of borrowings, and amortization of discount or premium attributable to the acquisition and construction or production of fixed assets, investment properties and inventories meeting the conditions of capitalization period and capitalization amount should be capitalized and recorded into the cost of such assets; other interest of borrowings, and amortization of discounts or premiums shall be recorded into expenses in current period. The exchange differences incurred from special foreign currency borrowings for acquisition and construction or production of fixed assets and investment properties shall be capitalized and recorded into the cost of such assets if it is within the capitalization period. Auxiliary expenses for special borrowings, if incurred before the fixed assets acquired or constructed reaching the intended condition for use, shall be capitalized at the time of occurrence; other auxiliary expenses shall be recognized as expenses in current period and recorded into current profit or loss.

(2) Capitalization period of borrowing costs:

① Commencement of capitalisation: Capitalization of borrowing interest, amortization of discount or premium, and exchange differences shall be commenced when all the following conditions are met.

1 ) Asset expenditure has already occurred.

2 ) Borrowing costs have already occurred.

3 ) Acquisition and construction activities necessary to bring the assets to the intended condition for use have already begun.

② Suspension of capitalisation: Where the acquisition and construction of a fixed asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended and the borrowing costs shall be recognized as current expenses until recommencement of the acquisition and construction of the asset.

③ Termination of capitalization: When the fixed assets acquired and constructed reach the intended condition for use, capitalization of the borrowing costs shall be terminated.

(3) Capitalized amount of borrowing costs:

Capitalized amount of interest of special borrowings during each accounting period shall be the amount of interest expenses actually incurred in the current period less the interest revenue of the borrowings unused and deposited in bank or the amount of investment income from temporary



investment. Interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the excess of accumulated asset disbursements over the special borrowings by the capitalization rate of used general borrowings.

(4) Determination principles of capitalization rate:

The capitalization rate is calculated by weighted average interest rate of general borrowings.

## **18. Intangible assets**

### **(1) Valuation method, service life and impairment test**

① Valuation and amortization of intangible assets: Externally acquired intangible assets shall be measured at the actual cost when acquired and averagely amortized during the expected service life since the month when the intangible assets is acquired; book value of the self-developed intangible assets shall be the sum of the expenditures during the research and development stage of internal research and development projects of the Company which are eligible for capitalization and the expenditures incurred before reaching the intended condition for use, and be averagely amortized over the expected service life since the month in which the intangible asset is ready for use.

② Service life: Service life of intangible assets shall be analyzed and determined when acquired. Intangible assets with limited service life shall be amortized over period during which they may bring economic interests; if the period during which the intangible assets may bring economic benefit to the enterprise is unforeseeable, such intangible assets shall be considered as intangible assets with uncertain service life and shall not be amortized.

③ Impairment test: At the end of each year, the Company shall recheck the service life and amortization method of the intangible assets. Intangible assets with uncertain service life shall be subject to impairment test every year whether there is any indication of impairment.

### **(2) Accounting policy for internal research and development expenditures**

The expenditures of the Company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Research phase expenditures shall be recorded into current profit or loss when incurred.

Development phase expenditures can be capitalized and recognized as intangible assets only when meeting all of the following conditions, otherwise shall be recorded into current profit or loss when incurred:

① It is technically feasible to complete this intangible assets so that it can be used or sold.

② Have the intention to complete the intangible assets and use or sell them.

③ The way in which intangible assets generate economic benefits, including the ability to prove that the products produced using the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, can prove their usefulness; Sufficient technical, financial resources and other resources support to complete the development of the intangible asset and the ability to use or sell the intangible asset; the expenditure attributable to the development stage of the intangible asset can be reliably measured.

## **19. Long-term asset impairment**

For the long-term equity investments, investment properties, fixed assets, construction in progress, intangible assets, and other long-term assets measured at cost model, if there are signs of impairment, an impairment test shall be conducted on the date of balance sheet. If the recoverable amount of the asset is less than its book value according to the test, provision for impairment will be made at the

difference and recorded into impairment loss. Recoverable amount is the higher of the net amount of fair value of an asset deducting the disposal expenses and the present value of estimated future cash flow of the asset. The provision for impairment of assets is calculated and made on an individual basis. If it is difficult for the Company to estimate the recoverable amount of the individual asset, the recoverable amount of an asset group, to which the said asset belongs, shall be determined. Asset group is the smallest asset group that can independently generate cash inflows.

For goodwill, impairment test shall be conducted at least at the end of each year. Impairment test shall be carried out in combination with the relevant asset group or combination of asset group.

The book value of goodwill caused by business combination is amortized to relevant asset groups with a reasonable method from the date of acquisition when the Company carries out impairment test on goodwill; or amortized to relevant combination of asset groups if it is difficult to be amortized to relevant asset groups. When the book value of goodwill is amortized to the relevant assets group or combination of assets groups, it shall be evenly amortized according to the proportion of the fair value of each assets group or combination of assets groups in the total fair value of the relevant assets groups or combinations of assets groups. Where the fair value cannot be reliably measured, it should be amortized according to the proportion of the book value of each asset group or combination of assets groups in the total book value of assets groups or combinations of assets groups.

When making an impairment test on the relevant assets groups or combination of assets groups containing goodwill, if any indication shows that the assets groups or combinations of assets groups may be impaired, the Company shall first conduct an impairment test on the assets groups or combinations of assets groups not containing goodwill, calculate the recoverable amount and compare it with relevant book value to recognize the corresponding impairment loss. Then the Company shall conduct an impairment test on the assets groups or combinations of assets groups containing goodwill, and compare the book value of these assets groups or combinations of assets groups (including the book value of the goodwill apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant assets groups or combinations of assets groups is lower than the book value thereof, the Company shall recognize the impairment loss of goodwill.

The above asset impairment losses shall not be reversed in subsequent accounting periods once recognized.

## **20. Long-term deferred expenses**

Long-term deferred expenses is recorded according to the actual amount incurred and amortized over the benefit period or the stipulated amortization period by the straight-line method. If a long-term deferred expense item cannot benefit a later accounting period, the amortized value of the item that has not been amortized shall be transferred to the current profit or loss; long-term deferred expenses such as expenditure for improvement of fixed assets under operating lease shall be amortized averagely within the benefit period.

## **21. Payroll**

### **(1) Accounting treatment of short-term compensation**

Short-term compensation refers to the payroll which is expected to be paid in full by the enterprise within 12 months after the end of the year in which the employee provided relevant services.

During the accounting period when employees serve the Company, the actual short-term compensation is recognized as liabilities and recorded into current profit or loss or costs of relevant assets.



**(2) Accounting treatment of post-employment benefits**

Post-employment benefits refer to various compensations and benefits to be provided by the enterprise after retirement from or termination of the labor relation with the enterprise in exchange for the service provided by the employee. Post-employment benefits are divided into two types: Defined contribution plans and defined benefit plans.

① Defined contribution plan: Contribution which shall be made by the Company separately on the date of balance sheet in exchange for the service provided by the employee during the accounting period shall be recognized as payroll liabilities and recorded into current profit or loss or relevant asset cost.

② Defined benefit plan: Based on the formula determined by expected cumulative welfare unit method, the benefit obligations arising from the defined benefit plan shall be attributable to the period in which the employee provides service and recorded into current profit or loss or cost of relevant asset; changes due to remeasurement of the net liabilities or net assets of the defined benefit plan shall be recorded into other comprehensive income and shall not be reversed to profit or loss in subsequent accounting periods.

**(3) Accounting treatment of dismissal benefits**

Dismissal benefits refers to the compensation paid to the employee by the enterprise for termination of the labor contract with the employee prior to expiration, or encouraging the employee to accept downsizing voluntarily.

If the enterprise provides dismissal benefits, payroll liabilities arising from dismissal benefits shall be recognized and recorded into current profit or loss on the earlier date of:

① The date when the enterprise could not unilaterally withdraw the dismissal benefits which offered by the plan or layoff proposal due to termination of the labor relation.

② The date when the enterprise recognizes the cost or expense related to the reorganization related to payment of the dismissal benefits.

**(4) Accounting treatment of the other long-term employee welfare**

Other long-term employee benefits refer to all payrolls except for short-term remuneration, post-employment benefits, and dismissal benefits, including long-term paid absences, long-term disability benefits, long-term profit sharing plan, etc.

The other long-term employee benefits provided by the enterprise shall be recognized and measured as net liability or net asset of other long-term employee benefits according to relevant provisions of the defined benefit plan, except for those meetings the conditions of defined contribution plan.

**22. Estimated liabilities****(1) Recognition criteria for estimated liabilities**

When obligations related to contingencies meet the following conditions, the Company shall recognize them as estimated liabilities:

① The obligation is the current obligation assumed by the Company.

② The performance of this obligation may result in the outflow of economic benefits.

③ The amount of this obligation can be reliably measured.

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

Considering the risks, uncertainties, and time value of money related to contingencies, the

estimated liabilities shall be initially measured at the best estimate of the required expenditure for the performance of current obligation. If the time value of money is significant, the best estimate shall be determined after discounting relevant future cash outflow. The Company shall check the book value of the estimated liabilities on the date of balance sheet, and adjust the book value to reflect current best estimate.

### 23. Revenue

#### (1) Recognition principles of revenues

Revenue is the total inflow of economic benefits arising from the Company's ordinary activities that would result in an increase in shareholders' equity and are unrelated to capital contributions by shareholders.

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the relevant goods. Obtaining control over related goods means being able to dominate the use of the goods and obtain almost all economic benefits from them.

If the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods or services promised under each individual performance obligation on the contract commencement date, and measure the revenue according to the transaction price allocated to each individual performance obligation.

**Transaction price is the amount of consideration that the Company is expected to be received due to the transfer of goods or services to customers, excluding the amount collected on behalf of third parties.** In determining the transaction price of a contract, if variable consideration exists, the Company will determine the best estimate of the variable consideration based on the expected or most likely amount and include in the transaction price in an amount not exceeding the amount that the accumulated recognized revenue will most likely not be significantly reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the Company will determine the transaction price according to the amount payable by the customer in cash when obtaining the control right of the goods. The difference between the transaction price and the contract consideration will be amortized by the effective interest rate method during the contract period. If the interval between the transfer of control right and the payment price by the customer does not exceed one year, the Company will not consider the financing component.

Performance obligations are fulfilled within a certain period if any of the following conditions is met; otherwise, performance obligations are fulfilled at a certain point in time:

- ① The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance;
- ② The customer controls the goods under construction during the performance of the Company;
- ③ The goods produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to collect money for the accumulated performance that has been completed so far during the whole contract period.

For performance obligations performed within a certain period, the Company recognizes revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. The Company determines the performance progress of the services provided according to the input method (or output method). When the performance progress cannot be

reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognized according to the amount of costs incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods. When judging whether the customer has acquired control of goods or services, the Company will consider the following indications:

- ① The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods;
- ② The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods;
- ③ The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods;
- ④ The Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has acquired the principal risks and rewards of ownership of the good;
- ⑤ The customer has accepted the goods.

#### (2) Recognition methods of revenues

##### ① Recognition methods of revenues for distribution model

The Company arranges logistics delivery to the customer's designated location, delivers the goods to the buyer according to the contract, and recognizes revenue after the buyer signs for it;

##### ② Recognition methods of revenues for direct sales model

Group purchase sales: Revenue is recognized when the Company delivers the goods to the buyer and receives payment or acquires the right to receive payment;

On-line sales: Revenue is recognized when the Company receives the payment transferred from the e-commerce platform from the consumer;

## 24. Government subsidy

### (1) Judgment basis and accounting treatment of asset-related government subsidies

The asset-related government subsidies refer to the government subsidies obtained by the Company and used for acquisition or construction or for formation of long-term assets in other ways, including the financial allocation for purchasing fixed assets or intangible assets, the financial discount for special loan of fixed assets and others.

The specific standard of the Company for classifying the government subsidies as asset-related subsidies: government subsidies obtained by the Company and used for acquisition or construction or for formation of long-term assets in other ways.

If the government documents do not specify the target of the subsidies, the basis that the Company classifies the government subsidies as asset-related subsidies or income-related subsidies were as follows: Whether the subsidies are used for acquisition or construction or for formation of long-term assets in other ways.

Timing of recognition of asset-related government subsidies of the Company: Government subsidies, when actually received, shall be recognized as deferred income and transferred equally to current profit or loss based on the expected service life of the long-term assets when the long-term assets are available for use.

The asset-related government subsidies are recognized as deferred income, and recorded into current profit or loss by stages based on the service life of the assets acquired and constructed. If the related asset is sold, transferred, scrapped or damaged before the end of the service life, the deferred income balance not yet distributed shall be transferred to the profits and losses of the period in which the assets are disposed.

(2) Judgment basis and accounting treatment of income-related government subsidies

Income-related government subsidies refer to all the government subsidies other than asset-related government subsidies.

The specific standard of the Company for classifying the government subsidies as income-related subsidies: all the government subsidies other than asset-related government subsidies.

Timing of recognition of income-related government subsidies of the Company: Government subsidies, when actually received, shall be recorded into current profit or loss if used to compensate the relevant expenses or losses of the Company in the subsequent period; recorded into current profit or loss directly when acquired if used to compensate relevant expenses or losses incurred by the Company.

Income-related government subsidies used to compensate the relevant expenses or losses of the Company in the subsequent period shall be recognized as deferred income when acquired; recorded into current profit or loss in the period in which relevant expenses are recognized; those used to compensate relevant expenses or losses incurred by the Company, shall be directly recorded into profit or loss directly when they are received.

(3) The government subsidies related to daily activities of the Company shall be recorded into other incomes or used to offset relevant costs and expenses according to the substance of the economic business. The government subsidies irrelevant with the daily activities of the Company shall be recorded into non-operating revenue.

## **25. Deferred income tax assets/deferred income tax liabilities**

The deferred income tax assets and deferred income tax liabilities are calculated and recognized according to the difference (temporary difference) between the tax base and book value of the assets and liabilities. Deductible losses that can be carried forward to the subsequent year to offset taxable income according to the tax law shall be considered as temporary difference, and corresponding deferred income tax assets shall be recognized.

For temporary differences related to the initial recognition of goodwill, corresponding deferred income tax liabilities shall not be recognized. For the temporary differences related to the initial recognition of the assets or liabilities incurred in the transaction not for business combination that will not affect the accounting profits and taxable income (or deductible losses), corresponding deferred income tax assets and deferred income tax liabilities shall not be recognized. The deferred income tax assets and deferred income tax liabilities are measured on the date of balance sheet according to the applicable tax rate in the period of expected recovery of relevant assets or liquidation of relevant liabilities.

Deferred income tax assets shall be recognized within the limit of taxable income which the Company may obtain for deducting deductible temporary differences, deductible losses and tax deduction. Deferred income tax assets and deferred income tax liabilities arising from temporary differences related to the investment in subsidiaries and associates shall be recognized. If the time of reversal of temporary differences can be controlled by the Company and the temporary differences are

likely to not be reversed in the foreseeable future, deferred income tax assets and liabilities shall not be recognized.

## 26. Lease

### (1) Accounting treatment of operating lease

① The rents paid by the Company for leased assets are amortized with the straight-line method in the whole lease term without deducting the rent-free period and recorded into current expenses. Initial direct costs related to leasing transaction and paid by the Company shall be recorded into current expenses.

Where an asset lessor has assumed the lease-related costs that should be assumed by the Company, the Company shall deduct such costs from the total rents, and the rents remained after such deduction shall be amortized in the lease term and recorded into current expenses.

② The rents received by the Company for leasing assets are apportioned on a straight-line basis over the entire lease term without deducting the rent-free period and are recognized as lease revenue. The initial direct costs related to lease transactions paid by the Company shall be included in the current expenses; if the amount is larger, they shall be capitalized and recorded into the current revenue on the same basis as the recognition of lease revenue during the entire lease term.

Where the Company has assumed the lease-related costs that should be assumed by the lessee, the Company shall deduct such costs from the total lease revenue, and the rents remained after such deduction shall be amortized in the lease term.

### (2) Accounting treatment of financial lease

① Assets leased in under financial leases: On the commencement date of lease, book value of the leased assets is the lower of the fair value of the leased assets and the present value of the minimum lease payments, and minimum lease payments shall be taken as the book value of the long-term payables, with the difference recognized as unrecognized financing costs. The Company adopts the effective interest rate method for unrecognized financing charges, which shall be amortized over the lease term and recorded into financial expenses. The Company records the initial direct expenses in the values of leased assets.

② Assets leased out under finance leases: On the commencement date of lease, the Company shall recognize the difference between the sum of the financial lease receivables and unguaranteed residual values and its present value as unrealized financing income, and as lease revenue in any lease period in the future when the rents are received. The initial direct expenses incurred by the Company in relation to the lease transaction shall be recorded into the initial measurement of the financial lease receivable and the amount of revenue recognized during the lease period shall be reduced.

## 27. Changes in significant accounting policy and accounting estimates

### (1) Changes in significant accounting policy

Applicable  Not applicable

Content and reason of changes in accounting policy	Approval procedures	Remarks
On July 5, 2017, the Ministry of Finance issued the <i>Accounting Standards for Business Enterprises No.14 - Revenue (CK (2017) No.22)</i> , (hereinafter referred to as the "New Revenue Standards"),		According to the provisions for transition from the old standards to the new standards, information of the comparable period is not adjusted, and the beginning retained earnings or other

<p>requiring enterprises which were simultaneously listed abroad and at home and which were listed abroad and prepared their financial statements according to the International Financial Reporting Standards (IFRS) or the Accounting Standards for Business Enterprises (ASBE) to implement such standards since January 1, 2018; and other domestic listed companies to implement such standards since January 1, 2020.</p>		<p>comprehensive income of the reporting period will be adjusted retroactively for the difference between the new standards and the original standards on the date of initial implementation. Refer to the Note “V. Significant accounting policy and accounting estimates, 27, (3) Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new revenue standards” for details about impact on the Financial Statements 2019</p>
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**(2) Changes in significant accounting estimates**

Applicable  Not applicable

**(3) Adjustment of relevant items in financial statements at the beginning of the initial implementation year as a result of initial implementation of new revenue standards from 2020**

Applicable

Whether it is necessary to adjust the balance sheet account at the beginning of the year

Yes  No

Consolidated Balance Sheet

Unit: RMB Yuan

Item	December 31, 2019	January 1, 2020	Amount of adjustment
Current assets:			
Cash and cash equivalents	63,238,825,723.79	63,238,825,723.79	
Settlement reserves			
Capital lent			
Trading financial assets			
Derivative financial assets			
Notes receivable	14,643,149,595.72	14,643,149,595.72	
Accounts receivable	134,449,693.03	134,449,693.03	
Accounts receivable financing	3,450,166,659.06	3,450,166,659.06	
Prepayments	231,909,140.09	231,909,140.09	
Premium receivable			

Reinsurance receivables			
Contract reserve of reinsurance			
Other receivables	1,248,644,572.40	1,248,644,572.40	
Including: Interest receivable	1,215,275,214.91	1,215,275,214.91	
Dividends receivable			
Purchase restituted finance asset			
Inventory	13,679,619,615.41	13,679,619,615.41	
Contract asset			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets	96,626,764,999.50	96,626,764,999.50	
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	1,021,778,731.59	1,021,778,731.59	
Other equity instrument investment			
Other non-current financial assets	1,200,000.00	1,200,000.00	
Investment properties			
Fixed assets	6,108,745,912.72	6,108,745,912.72	

Construction in progress	812,428,248.30	812,428,248.30	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	410,155,227.81	410,155,227.81	
Development expenditures			
Goodwill	1,621,619.53	1,621,619.53	
Long-term deferred expenses	91,601,331.96	91,601,331.96	
Deferred income tax assets	1,157,391,979.00	1,157,391,979.00	
Other non-current assets	165,284,283.25	165,284,283.25	
Total non-current assets	9,770,207,334.16	9,770,207,334.16	
Total assets	106,396,972,333.66	106,396,972,333.66	
Current liabilities:			
Short-term loans			
Loan from central bank			
Capital borrowed			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	419,485,425.61	419,485,425.61	
Accounts payable	3,257,672,975.56	3,257,672,975.56	
Accounts received in advance	12,530,706,854.77	21,782,796.70	-12,508,924,058.07
Contract liability		11,078,218,239.27	11,078,218,239.27
Selling financial asset of repurchase			
Absorbing deposit and interbank			



deposit			
Security trading of agency			
Security sales of agency			
Payroll payable	3,594,886,729.81	3,594,886,729.81	
Tax payable	7,939,166,588.84	7,939,166,588.84	
Other payables	2,292,680,733.51	2,292,680,733.51	
Including: Interest payable			
Dividend payable			
Commission charge and commission payable			
Reinsurance payables			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities		1,430,705,818.80	1,430,705,818.80
Total current liabilities	30,034,599,308.10	30,034,599,308.10	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans			
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term payroll payable			

Estimated liabilities			
Deferred income	266,325,368.40	266,325,368.40	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	266,325,368.40	266,325,368.40	
Total liabilities	30,300,924,676.50	30,300,924,676.50	
Owner's equity:			
Capital stock	3,881,608,005.00	3,881,608,005.00	
Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserve	2,682,647,086.15	2,682,647,086.15	
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	16,092,197,023.01	16,092,197,023.01	
Provision for general risk			
Undistributed profit	51,634,248,548.06	51,634,248,548.06	
Total owners' equity attributable to parent company	74,290,700,662.22	74,290,700,662.22	
Minority equity	1,805,346,994.94	1,805,346,994.94	
Total owners' equity	76,096,047,657.16	76,096,047,657.16	
Total liabilities and owners' equity	106,396,972,333.66	106,396,972,333.66	

## Balance Sheet of Parent Company

Unit: RMB Yuan

Item	December 31, 2019	January 1, 2020	Amount of adjustment
Current assets:			
Cash and cash equivalents	28,257,367,404.51	28,257,367,404.51	
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Accounts receivable financing			
Prepayments	80,520,520.72	80,520,520.72	
Other receivables	10,126,706,853.03	10,126,706,853.03	
Including: Interest receivable	570,078,014.35	570,078,014.35	
Dividends receivable	654,791,389.27	654,791,389.27	
Inventory			
Contract asset			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total current assets	38,464,594,778.26	38,464,594,778.26	
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity	10,609,783,624.61	10,609,783,624.61	

investment			
Other equity instrument investment			
Other non-current financial assets	1,200,000.00	1,200,000.00	
Investment properties			
Fixed assets	100,266,366.93	100,266,366.93	
Construction in progress	100,358,221.33	100,358,221.33	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	39,222,336.12	39,222,336.12	
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	2,202,432.10	2,202,432.10	
Other non-current assets			
Total non-current assets	10,853,032,981.09	10,853,032,981.09	
Total assets	49,317,627,759.35	49,317,627,759.35	
Current liabilities:			
Short-term loans			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	418,136.00	418,136.00	
Accounts received in advance			

Contract liability			
Payroll payable	8,811,734.27	8,811,734.27	
Tax payable	30,732,337.42	30,732,337.42	
Other payables	285,450,874.79	285,450,874.79	
Including: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	325,413,082.48	325,413,082.48	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including: Preferred share			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term payroll payable			
Estimated liabilities			
Deferred income	1,000,000.00	1,000,000.00	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,000,000.00	1,000,000.00	
Total liabilities	326,413,082.48	326,413,082.48	
Owner's equity:			
Capital stock	3,881,608,005.00	3,881,608,005.00	

Other equity instruments			
Including: Preferred share			
Perpetual bond			
Capital reserve	2,682,647,086.15	2,682,647,086.15	
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserve	7,884,654,620.01	7,884,654,620.01	
Undistributed profit	34,542,304,965.71	34,542,304,965.71	
Total owners' equity	48,991,214,676.87	48,991,214,676.87	
Total liabilities and owners' equity	49,317,627,759.35	49,317,627,759.35	

**(4) Note on comparison data before the retrospective adjustments due to initial implementation of new revenue standards from 2020**

Applicable     Not applicable

## VI. Taxes

### 1. Main taxes and tax rates

Tax Item	Tax Basis	Tax Rate
VAT	Taxable sales revenue	13% (paid after offsetting input tax)
Consumption tax	Taxable price or ex-factory price	10%.20%
Urban maintenance and construction tax	Turnover tax payable	7%
Corporate income tax	Taxable income	25%
Education surcharge	Turnover tax payable	3%
Local education surcharge*	Turnover tax payable	2%

\*According to the Notice of the People's Government of Sichuan Province on Printing the Management Measures for Collection and Use of Local Education Surcharge (CFH [2011] No. 68) issued the People's Government of Sichuan Province on April 2, 2011, entities and individuals paying value-added tax, business tax, and consumption tax within administrative regions of Sichuan Province shall pay local education surcharge at 2% of the amount of the "three taxes" actually paid.

Note on disclosure of taxpayer applying different corporate income tax rates:

Name of taxpayer	Income tax rate
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	15%
Sichuan Yibin Plastic Packaging Materials Company Limited	15%
Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.	15%
Yibin Xinxing Packaging Co., Ltd.	20%
Wuhou Cultural Development Co., Ltd.	20%
Sichuan Jiebeike Environmental Technology Co., Ltd.	20%
Sichuan Jinwuxin Technology Co., Ltd.	20%
Yibin Wuliangye Xinshengdai Liquor Co., Ltd.	20%
Linzhang Desheng Wine Trade Co., Ltd.	20%
Sichuan Wuliangye Tourist Agency Co., Ltd.	20%

## 2. Tax preference

### (1) VAT

In January 2007, Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd. obtained the certificate of social welfare enterprise “FQZZ No. 51004121049” issued by the Department of Civil Affairs of Sichuan Province. The Company, conforming to relevant provisions of GSF [2016] No. 33 and the Notice on VAT Preferential Policy for Promoting the Employment of the Disabled of the Ministry of Finance and the State Administration of Taxation (CS [2016] No. 52), enjoys the drawback policy of value-added tax. Recoverable value-added tax of each month=Number of disabled person employed by the taxpayer in current month×quadruple of the minimum wage of current month. The amount of value-added tax refunded in 2020 was RMB 42,714,120.00.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Printing the Catalog of Preferential Value-added Tax for Comprehensive Utilization of Resources and Service (CS [2015] No. 78), the steam, white carbon black, lactic acid, and calcium lactate products sold by Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. and produced with waste distilled grain and pot bottom water for brewing can enjoy the 70% drawback policy for the value-added tax realized since July 1, 2015. The amount of value-added tax refunded in 2020 was RMB 14,010,868.21.

### (2) Corporate income tax

Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd., Sichuan Yibin Plastic Packaging Materials Company Limited, and Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. conforming to the Notice of the State Administration of Taxation on Issues about Corporate Income Tax of Further Implementing the Western Development Strategy (Notice of the State Administration of Taxation (2012) No. 12), has been filed with the No. 1 Branch of Local Taxation Bureau of Yibin for preferential corporate income tax and pays the corporate income tax at 15%.

Yibin Xinxing Packaging Co., Ltd., Wuhou Cultural Development Co., Ltd., Sichuan Jiebeike Environmental Technology Co., Ltd., Sichuan Jinwuxin Technology Co., Ltd., Yibin Wuliangye Xinshengdai Liquor Co., Ltd., Linzhang Desheng Wine Trade Co., Ltd. and Sichuan Wuliangye Tourist Agency Co., Ltd. conform to the provisions of the Notice on Implementing the Inclusive Tax Deduction Policy for Small and Micro Enterprises of the Ministry of Finance and the State Administration of

Taxation (CS [2019] No. 13), which specifying that if the annual taxable income of small low-profit enterprises is less than RMB 1 million, the taxable income shall be 25% of such annual taxable income and the corporate income tax rate shall be 20%; if the annual taxable income is more than RMB 1 million but less than RMB 3 million, the taxable income shall be 50% of such annual taxable income and the corporate income tax rate shall be 20%.

## VII. Notes to consolidated financial statements

### 1. Cash and cash equivalents

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Cash on hand	25,283.79	28,179.40
Bank deposit	67,880,479,453.44	63,138,797,874.22
Other cash and cash equivalents	329,072,285.38	99,999,670.17
Total	68,209,577,022.61	63,238,825,723.79
Including: Total amount of funds restricted in use due to mortgage, pledge or freezing	329,069,085.01	99,996,480.91

Other notes:

(1) Other cash and cash equivalents include the balance of securities trading of RMB 3,200.37 deposited with Yibin Business Department of Essence Securities, deposit of bank acceptance bill of RMB 328,818,561.81, and other deposits of RMB 250,523.20.

(2) There are no other funds being restricted in use due to mortgage, pledge or freezing except for the other cash and cash equivalents above-mentioned; and there is no funds deposited abroad and being restricted in repatriation.

Wine manufacturing enterprises should disclose in detail whether there is a special interest arrangement with related parties to establish a joint account for funds, etc.

Applicable  Not applicable

### 2. Notes receivable

#### (1) Notes receivable presented by category

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Bank acceptance bill	18,568,421,154.30	14,643,149,595.72
Total	18,568,421,154.30	14,643,149,595.72



Unit: RMB Yuan

Category	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion (%)		Amount	Proportion	Amount	Provision proportion (%)	
Including:										
Notes receivable with bad debt provision by combination	18,568,421,154.30	100.00%			18,568,421,154.30	14,643,149,595.72	100.00%			14,643,149,595.72
Including:										
Bank acceptance bill	18,568,421,154.30	100.00%			18,568,421,154.30	14,643,149,595.72	100.00%			14,643,149,595.72
Total	18,568,421,154.30	100.00%			18,568,421,154.30	14,643,149,595.72	100.00%			14,643,149,595.72

**(2) Notes receivable pledged by the Company at the end of the period**

The Company had no notes receivable pledged by the Company at the end of the period.

**(3) Notes receivable endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet**

The Company had no notes receivable endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet

**(4) Notes transferred to accounts receivable by the Company at the end of the period due to failure of the drawer to perform**

The Company had no notes transferred to accounts receivable by the Company at the end of the period due to failure of the drawer to perform.

**(5) Notes receivable actually written off in the current period**

The Company had no notes receivable actually written off in the current period.

**3. Accounts receivable****(1) Disclosure of receivables by category**

Unit: RMB Yuan

Category	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion (%)		Amount	Proportion	Amount	Provision proportion (%)	
Accounts receivable with bad debt provision by single item	1,508,250.71	3.10%	1,508,250.71	100.00%		1,508,250.71	1.05%	1,508,250.71	100.00%	
Including:										
External customer	1,508,250.71	3.10%	1,508,250.71	100.00%		1,508,250.71	1.05%	1,508,250.71	100.00%	
Receivables with bad debt provision by combination	47,158,692.98	96.90%	5,662,522.63	12.01%	41,496,170.35	142,604,157.15	98.95%	8,154,464.12	5.72%	134,449,693.03
Including:										
External customer	36,342,444.48	74.68%	5,662,522.63	15.58%	30,679,921.85	88,029,978.68	61.08%	8,154,464.12	9.26%	79,875,514.56
Related parties	10,816,248.50	22.22%			10,816,248.50	54,574,178.47	37.87%			54,574,178.47
<b>Total</b>	<b>48,666,943.69</b>	<b>100.00%</b>	<b>7,170,773.34</b>	<b>14.73%</b>	<b>41,496,170.35</b>	<b>144,112,407.86</b>	<b>100.00%</b>	<b>9,662,714.83</b>	<b>6.70%</b>	<b>134,449,693.03</b>

## Bad debt provision by single item:

Unit: RMB Yuan

Name	Ending balance			
	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Ningxia Hongzhongning Wolfberry Products Co., Ltd.	516,135.60	516,135.60	100.00%	Expected irrecoverable
Nanxi Daliangxin Food Co., Ltd.	389,729.12	389,729.12	100.00%	Expected irrecoverable
Hunan Liuyanghe Liquor Industry Co., Ltd.	308,155.34	308,155.34	100.00%	Expected irrecoverable
Sichuan Debo Daily Commodity Co., Ltd.	294,230.65	294,230.65	100.00%	Expected irrecoverable
Total	1,508,250.71	1,508,250.71	--	--

## Bad debt provision by combination:

Unit: RMB Yuan

Name	Ending balance			
	Book balance	Bad debt provision	Provision proportion (%)	Reasons for provision
Accounts receivable with bad debt provision by combination of external customer	36,342,444.48	5,662,522.63	15.58%	
Accounts receivable with bad debt provision by combination of related parties	10,816,248.50			
Total	47,158,692.98	5,662,522.63	--	--

## Disclosure by aging

Unit: RMB Yuan

Aging	Book balance
Within 1 year (inclusive)	39,159,404.03
1 to 2 years	1,104,718.58
2 to 3 years	1,159,009.02
More than 3 years	7,243,812.06
3 to 4 years	594,516.24
4 to 5 years	1,698,664.39
More than 5 years	4,950,631.43
Total	48,666,943.69

**(2) Provision, recovery or reversal of bad debt provision in current period**

Unit: RMB Yuan

Category	Beginning balance	Amount of change in current year				Ending balance
		Provisions	Recovery or reversal	Write-off	Others	
Accounts receivable with bad debt provision by single item	1,508,250.71					1,508,250.71
Accounts receivable with bad debt provision by combination of external customer	8,154,464.12	-2,504,725.68	12,784.19			5,662,522.63
Total	9,662,714.83	-2,504,725.68	12,784.19			7,170,773.34

**(3) Accounts receivable actually written off in the current period**

There was no accounts receivable actually written off in the current period.

**(4) Accounts receivable with top 5 ending balances by debtor**

Unit: RMB Yuan

Unit name	Ending balance of accounts receivable	Proportion in total ending balance of accounts receivable	Ending balance of bad debt provision
Sichuan Putian Packaging Co., Ltd.	7,403,902.45	15.21%	
Sichuan Youhu Trade Co., Ltd.	3,770,871.26	7.75%	188,543.56
Yibin Haisite Fiber Co., Ltd.	2,198,387.33	4.52%	109,919.37
Chengdu Kanglongxin Plastic Industry Co., Ltd.	1,863,050.51	3.83%	93,152.53
Sitir Liquor Co., Ltd.	1,793,468.28	3.69%	104,681.08
<b>Total</b>	<b>17,029,679.83</b>	<b>35.00%</b>	

(5) At the end of the period, the Company had no accounts receivable derecognized due to the transfer of financial assets.

#### 4. Accounts receivable financing

##### (1) Accounts receivable financing presented by category

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Bank acceptance bill	2,024,442,016.72	3,450,166,659.06
<b>Total</b>	<b>2,024,442,016.72</b>	<b>3,450,166,659.06</b>

The Company, based on the management purpose of notes receivable, classifies notes receivable for receiving contract cash flow and selling as financial assets measured at fair value with changes recorded into other comprehensive income.

Unit: RMB Yuan

Category	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt Provisions		Book value
	Amount	Proportion	Amount	Provision proportion (%)		Amount	Proportion	Amount	Provision proportion (%)	
Accounts receivable financing with bad debt provision by single item										
Accounts receivable financing with bad debt provision by combination	2,024,442,016.72	100.00%			2,024,442,016.72	3,450,166,659.06	100.00%			3,450,166,659.06
Including: Bank acceptance bill	2,024,442,016.72	100.00%			2,024,442,016.72	3,450,166,659.06	100.00%			3,450,166,659.06
Total	2,024,442,016.72	100.00%			2,024,442,016.72	3,450,166,659.06	100.00%			3,450,166,659.06

**(2) Accounts receivable financing pledged by the Company at the end of the period**

Unit: RMB Yuan

Item	Ending pledged amount
Bank acceptance bill	52,470,000.00
Total	52,470,000.00

Notes: The bank acceptance bill pledged by the Company at the end of the period is mainly arising from the Company's pledge of notes in large amount to the Bank and the issuance of notes in small amount for external payments.

**(3) Accounts receivable financing endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet**

Unit: RMB Yuan

Item	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period
Bank acceptance bill	1,203,559,943.74	
Total	1,203,559,943.74	

**(4) Accounts receivable financing transferred to accounts receivable by the Company at the end of the period due to failure of the drawer to perform**

None.

**(5) The Company had no accounts receivable financing actually written off in the period****5. Prepayments****(1) Prepayments presented by aging**

Unit: RMB Yuan

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	159,490,040.03	64.50%	136,286,439.94	58.77%
1 to 2 years	5,065,482.28	2.05%	6,819,475.06	2.94%
2 to 3 years	1,903,024.39	0.77%	1,127,071.75	0.49%
More than 3 years	80,800,533.72	32.68%	87,676,153.34	37.81%
Total	247,259,080.42	--	231,909,140.09	--

Reasons for non-timely settlement of prepayments in significant amount with the aging more than 1 year:

Prepayments with the aging more than 1 year are mainly the prepayments to Yibin Guoding Gas Co., Ltd. for the gas source as agreed.

**(2) Prepayments with top 5 ending balances by prepayment object**

Unit: RMB Yuan

Unit name	Ending balance	Proportion in ending balance of prepayments
Yibin Guoding Gas Co., Ltd.	72,922,000.00	29.49%
Beijing Taiyang Shenghuo International Advertising Co., Ltd.	31,955,594.46	12.92%
<b>China National Petroleum Corporation, Southwest Chemical Sales Branch</b>	25,550,913.54	10.33%
Yibin Push Linko Technology Co., Ltd.	19,944,767.12	8.07%
Sinopec Chemical Commercial Holding Company Limited, Central China Branch	15,332,417.11	6.20%
Total	165,705,692.23	67.02%

**6. Other receivables**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Interest receivable		1,215,275,214.91
Other receivables	36,199,607.12	33,369,357.49
<b>Total</b>	<b>36,199,607.12</b>	<b>1,248,644,572.40</b>

**(1) Interest receivable****1) Classification of interest receivable**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Interest of fixed term deposit		1,215,275,214.91
<b>Total</b>		<b>1,215,275,214.91</b>

**2) Provision for bad debt**

□ Applicable √ Not applicable

**(2) Other receivables****1) Other receivables classified by nature**

Unit: RMB Yuan

Nature of receivable	Ending book balance	Beginning book balance
Reserve fund	4,126,194.86	6,792,778.95
Current account	9,851,782.12	7,027,439.51
Deposit	17,389,932.95	19,102,013.23
Other advance money for others or temporary payment	10,563,309.32	4,698,433.09
<b>Total</b>	<b>41,931,219.25</b>	<b>37,620,664.78</b>

**2) Provision for bad debt**

Unit: RMB Yuan

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the coming 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on January 1, 2020	4,219,047.66		32,259.63	4,251,307.29
Balance on January 1, 2020 in current period	—	—	—	—
Provisions in current period	1,508,694.62		-28,389.78	1,480,304.84
Balance on December 31, 2020	5,727,742.28		3,869.85	5,731,612.13

Large book balance change in the current period of provision for loss

□ Applicable √ Not applicable

Disclosure by aging

Unit: RMB Yuan

Aging	Book balance
Within 1 year (inclusive)	24,398,004.59
1 to 2 years	6,205,809.68
2 to 3 years	6,893,979.93
More than 3 years	4,433,425.05
3 to 4 years	564,502.88
4 to 5 years	357,446.43

More than 5 years	3,511,475.74
Total	41,931,219.25

**3) Provision, recovery or reversal of bad debt provision in current period**

Bad debt provision in current period:

Unit: RMB Yuan

Category	Beginning balance	Amount of change in current year				Ending balance
		Provisions	Recovery or reversal	Write-off	Others	
Other receivables with bad debt provision by single item	32,259.63	-28,389.78				3,869.85
Other receivables with bad debt provision by credit risk combination	4,219,047.66	1,508,694.62				5,727,742.28
Total	4,251,307.29	1,480,304.84				5,731,612.13

**4) Other receivables actually written off in current period**

There was no other receivables actually written off in current period.

**5) Other receivables with top 5 ending balances by debtor**

Unit: RMB Yuan

Unit name	Nature of receivables	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending balance of bad debt provision
Yibin Cuiqing District Housing and Urban-Rural Development Bureau	Deposit	5,000,000.00	2-3 years	11.92%	1,000,000.00
Yibin Zhongqi Natural Gas Co., Ltd.	Deposit	4,000,000.00	Within 1 year	9.54%	120,000.00
Yibin Social Insurance Bureau	Advance money for others	3,873,403.62	Within 1 year	9.24%	116,216.29
China National Petroleum Corporation, Sichuan Yi Saibin Sales Branch	Temporary payment	1,740,000.00	Within 1 year	4.15%	52,200.00
Chongqing Xibolesi Building Engineering Co., Ltd.	Advance money for others	1,671,340.32	More than 5 years	3.99%	1,337,072.26
Total	--	16,284,743.94	--	38.84%	2,625,488.55

**7. Inventory****(1) Inventory classification**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Inventory falling price reserves or reserves for impairment of contract performance costs	Book value	Book balance	Inventory falling price reserves or reserves for impairment of contract performance costs	Book value
Raw materials	1,006,752,368.41	5,500,972.51	1,001,251,395.90	820,802,958.97	5,470,868.60	815,332,090.37
Goods in process	964,076,320.20		964,076,320.20	920,929,926.83		920,929,926.83
Inventory of goods	1,715,227,321.75	28,068,948.50	1,687,158,373.25	2,641,768,788.26	23,606,759.68	2,618,162,028.58
Turnover materials	4,509,057.31	436,409.41	4,072,647.90	2,443,559.07		2,443,559.07



Goods issued	217,544,735.96	2,339,349.95	215,205,386.01	91,743,317.05	917,805.65	90,825,511.40
Goods in transit	2,121,297.94		2,121,297.94			
Semi-finished products	9,290,022,881.61	151,805.88	9,289,871,075.73	9,185,653,882.86		9,185,653,882.86
Packing materials	35,637,606.57	15,916,796.10	19,720,810.47	16,350,413.67	15,916,796.10	433,617.57
Work in process-outsourced	44,796,324.05		44,796,324.05	45,838,998.73		45,838,998.73
Total	13,280,687,913.80	52,414,282.35	13,228,273,631.45	13,725,531,845.44	45,912,230.03	13,679,619,615.41

**(2) Classification of inventory goods**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Liquors	1,107,242,109.83		1,107,242,109.83	1,981,292,442.44		1,981,292,442.44
Plastic products	407,641,508.37	2,376,198.91	405,265,309.46	374,726,965.18	2,404,978.20	372,321,986.98
Printing	87,914,622.34	13,613,249.08	74,301,373.26	77,827,912.75	13,613,249.08	64,214,663.67
Glass bottle	95,200,289.49	6,459,504.39	88,740,785.10	154,797,421.71	76,683.01	154,720,738.70
Others	17,228,791.72	5,619,996.12	11,608,795.60	53,124,046.18	7,511,849.39	45,612,196.79
Total	1,715,227,321.75	28,068,948.50	1,687,158,373.25	2,641,768,788.26	23,606,759.68	2,618,162,028.58

**(3) Inventory falling price reserves and reserves for impairment of contract performance costs**

Unit: RMB Yuan

Item	Beginning balance	Increase in current period		Decrease in current period		Ending balance
		Provisions	Others	Reversed or written-off	Others	
Raw materials	5,470,868.60	57,645.70		27,541.79		5,500,972.51
Inventory of goods	23,606,759.68	11,597,071.16		7,134,882.34		28,068,948.50
Turnover materials		436,409.41				436,409.41
Packing materials	15,916,796.10					15,916,796.10
Goods issued	917,805.65	1,421,544.30				2,339,349.95
Semi-finished products		151,805.88				151,805.88
Total	45,912,230.03	13,664,476.45		7,162,424.13		52,414,282.35

**(4) Note on ending balance of inventory containing the capitalized amount of borrowing costs**

None

**8. Long-term equity investment**

Unit: RMB Yuan

Invested company	Beginning balance (book value)	Increase/decrease in the current period								Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit and loss on investments recognized with equity method	Adjustment of other comprehensive income	Changes in other equities	Declaration of cash dividends or profits	Accrual of impairment provision	Others		
I. joint ventures											
II. Associates											
Oriental Outlook Media Co., Ltd.	17,078,139.66			4,043,275.64						21,121,415.30	
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	994,858,486.75	734,693,877.55		87,842,578.12						1,817,394,942.42	
Yibin Jiamei Intelligent Packaging Co., Ltd.	9,842,105.18			1,618,640.40						11,460,745.58	
Sub-total	1,021,778,731.59	734,693,877.55		93,504,494.16						1,849,977,103.30	
Total	1,021,778,731.59	734,693,877.55		93,504,494.16						1,849,977,103.30	

Other notes:

(1) The Company invested in Oriental Outlook Media Co., Ltd., an associate of the Company, for implementing the strategy of entering the media industry. The Company contributed RMB 17.15 million in April 2005, acquiring 49% of the equity of Oriental Outlook Media Co., Ltd. held by China Worldbest Group, ShanghaiWorldbestCo.,Ltd. and Shanghai Tiancheng Chuangye Development Co., Ltd.

(2) As reviewed and approved by the 22th meeting of the 4th board of directors of the Company on October 24, 2012, the Company, Yibin Wuliangye Group Company and 6 of its subsidiaries, and ABC International Holdings Limited jointly invested and established Sichuan Yibin Wuliangye Group Finance Co., Ltd. (hereinafter referred to as the "Finance Company"). Its registered capital is RMB 2 billion, among which the Company contributed RMB 0.72 billion, taking up 36% of the registered capital.

On May 23, 2020, the 74th meeting of the 5th Session of the Board of Directors of the Company considered and approved the capital increase of the Company to the Finance Company based on the net assets per share of the Finance Company evaluated at RMB1.3817 per share as consideration for the capital increase of RMB734,693,877.55, of which: RMB531,731,835.82 was credited to registered capital and RMB202,962,041.73 was credited to capital surplus. In this capital increase, the related party Sichuan Yibin Wuliangye Group Co., Ltd. increased its capital at the same price, and the remaining shareholders of the Finance Company did not participate in this capital increase. After the completion of this capital increase, the registered capital of the Finance Company increased from RMB2,000,000,000 to RMB3,085,619,164.80, and the shareholding ratio of the Company was changed to 40.56%.

(3) In 2019, Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd., a holding subsidiary of the Company, and Shenzhen Jinjia New Intelligent Packaging Co., Ltd. jointly invested and established Yibin Jiamei Intelligent Packaging Co., Ltd. Primary business of Yibin Jiamei Intelligent Packaging Co., Ltd. include research and development, platemaking, printing, production and sales of packaging products. Its registered capital is RMB 20 million, among which Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd. contributed RMB 9.8 million, taking up 49% of the registered capital.

## 9. Other non-current financial assets

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Sichuan Chinese Liquor Jinshanjiao Brand Operation and Development Co., Ltd.	1,200,000.00	1,200,000.00
Total	1,200,000.00	1,200,000.00

## 10. Fixed assets

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Fixed assets	5,866,732,589.90	6,108,183,363.27
Disposal of fixed assets	148,270.13	562,549.45
Total	5,866,880,860.03	6,108,745,912.72

### (1) Note on fixed assets

Unit: RMB Yuan

Item	Houses and buildings	Special equipment	General equipment	Transportation equipment	Other equipment	Total
I. Original book value:						
1. Beginning balance	8,900,077,124.01	3,035,564,850.57	2,220,355,566.71	116,501,717.09	622,756,178.52	14,895,255,436.90
2. Increase in current period	28,572,811.49	60,615,542.15	71,841,475.84	41,990,259.22	35,949,540.07	238,969,628.77
(1) Acquisition	5,109,326.00	46,022,598.10	70,930,616.00	41,990,259.22	22,089,780.99	186,142,580.31
(2) Transfer from construction in	23,463,485.49	14,592,944.05	910,859.84		13,859,759.08	52,827,048.46

progress						
(3) Increase from business combination						
3. Decrease in current period	47,952,123.98	34,859,893.49	67,549,987.61	2,517,805.14	14,303,512.25	167,183,322.47
(1) Disposal or scrap	13,667,260.52	34,859,893.49	67,549,987.61	2,517,805.14	14,303,512.25	132,898,459.01
(2) Donation						
(3) Others	34,284,863.46					34,284,863.46
4. Ending balance	8,880,697,811.52	3,061,320,499.23	2,224,647,054.94	155,974,171.17	644,402,206.34	14,967,041,743.20
II. Accumulated depreciation						
1. Beginning balance	3,630,041,373.44	2,740,040,481.98	1,778,128,694.39	86,277,626.86	544,052,430.17	8,778,540,606.84
2. Increase in current period	274,682,631.82	76,659,589.76	53,929,339.97	9,882,440.34	20,516,690.04	435,670,691.93
(1) Provisions	274,682,631.82	76,659,589.76	53,929,339.97	9,882,440.34	20,516,690.04	435,670,691.93
(2) Increase from business combination						
(3) Others						
3. Decrease in current period	8,665,443.14	33,492,688.59	64,746,328.13	2,105,026.74	13,795,196.56	122,804,683.16
(1) Disposal or scrap	8,665,443.14	33,492,688.59	64,746,328.13	2,105,026.74	13,795,196.56	122,804,683.16
(2) Donation						
(3) Others						
4. Ending balance	3,896,058,562.12	2,783,207,383.15	1,767,311,706.23	94,055,040.46	550,773,923.65	9,091,406,615.61
III. Provision for impairment						
1. Beginning balance	1,544,029.33	5,860,320.21	656,514.70		470,602.55	8,531,466.79
2. Increase in current period					448,709.53	448,709.53
(1) Provisions					448,709.53	448,709.53
3. Decrease in current period		77,638.63				77,638.63
(1) Disposal or scrap		77,638.63				77,638.63
4. Ending balance	1,544,029.33	5,782,681.58	656,514.70		919,312.08	8,902,537.69
IV. Book value						

1. Ending book value	4,983,095,220.07	272,330,434.50	456,678,834.01	61,919,130.71	92,708,970.61	5,866,732,589.90
2. Beginning book value	5,268,491,721.24	289,664,048.38	441,570,357.62	30,224,090.23	78,233,145.80	6,108,183,363.27

**(2) Fixed assets that are temporarily idle**

None.

**(3) Fixed assets under financing lease**

None.

**(4) Fixed assets leased out by operating lease**

Unit: RMB Yuan

Item	Ending book value
Buildings	125,699,994.78
Warehouse	16,286,521.97
Equipment	11,808,136.08
Total	153,794,652.83

**(5) Fixed assets without certificate of title**

Unit: RMB Yuan

Item	Book value	Reason for not obtaining certificate of title
Buildings	922,160,137.04	The certificate of title has not been obtained due to historical reasons, to which the Company has attached great importance and planned to obtain the certificate of title gradually.
Buildings	3,900,494.78	In progress
Total	926,060,631.82	

Notes: According to the Interim Regulation on Real Estate Registration of Sichuan Province 2016, the property ownership certificate and the land use certificate are integrated into the real estate ownership certificate. The Company is sorting out relevant assets and handling with the certificate of title of relevant assets.

**(6) Disposal of fixed assets**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Other equipment	148,270.13	562,549.45
Total	148,270.13	562,549.45

**11. Construction in progress**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Construction in progress	1,480,337,105.88	810,667,169.54
Project goods and materials	1,761,078.76	1,761,078.76
Total	1,482,098,184.64	812,428,248.30

**(1) Construction in progress**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	528,404,511.04		528,404,511.04	432,757,395.14		432,757,395.14
Technological Innovation Project for	178,703,412.28		178,703,412.28	1,592,000.06		1,592,000.06

Storing Blended Liquor						
The liquor packaging and integrated smart storage-and-delivery project	162,362,443.37		162,362,443.37	7,522,113.42		7,522,113.42
Wuliangye Industrial Park Construction Project	116,380,592.65		116,380,592.65	116,380,592.65		116,380,592.65
Hongba New Park Supporting Facilities Construction Project	86,449,743.23		86,449,743.23	1,003,096.22		1,003,096.22
Pipe Network Reconstruction Project of Jiangbei Park	38,083,788.58		38,083,788.58	26,591,075.62		26,591,075.62
Factory Buildings and Other Buildings Renovation Project of the Company (Phase II)	30,408,205.03		30,408,205.03	26,482,983.09		26,482,983.09
Phase II of 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase VI)	28,264,685.42		28,264,685.42	8,196,054.13		8,196,054.13
523 Workshop 1-80 Span Tool Room Upgrade (Emergency)	16,691,460.19		16,691,460.19			
Brewing Special Grain Process Bin & Milling Automation Renovation Project	20,257,399.24		20,257,399.24			
503 Workshop Appearance Upgrade	20,102,188.68		20,102,188.68	8,330,188.68		8,330,188.68
Anlequan Scenic Area Upgrade Emergency Project	18,618,699.97		18,618,699.97			
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase III)	13,191,272.30		13,191,272.30	2,608,290.56		2,608,290.56
Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates	10,698,865.18		10,698,865.18	10,698,865.18		10,698,865.18
Wuliangye Liquor Plant Main Water	10,551,990.72		10,551,990.72	7,251,990.73		7,251,990.73

Pipe Renovation Project						
No.4 Kiln Upgrading and Reconstruction Project				21,776,007.96		21,776,007.96
Other sporadic works	203,567,853.55	2,400,005.55	201,167,848.00	141,876,521.65	2,400,005.55	139,476,516.10
Total	1,482,737,111.43	2,400,005.55	1,480,337,105.88	813,067,175.09	2,400,005.55	810,667,169.54

## (2) Changes in important construction in progress in current period

Unit: RMB Yuan

Project name	Budget	Beginning balance	Increase in current period	Amount transferred to fixed assets in the current period	Other decreases in current period Amount	Ending balance	Proportion of project input to the budget (%)	Engineering progress	Accumulated amount of interest capitalized	Including: Capitalized amount of interest in current period	Capitalization rate of interest in current period	Source of funds
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	857,070,000.00	432,757,395.14	95,647,115.90			528,404,511.04	61.65%	99.00%				Own funds and subsidies
Technological Innovation Project for Storing Blended Liquor	1,726,166,000.00	1,592,000.06	177,111,412.22			178,703,412.28	10.35%	46.00%				Owned and raised funds
The liquor packaging and integrated smart storage-and-delivery project	8,596,655,000.00	7,522,113.42	154,840,329.95			162,362,443.37	1.89%	21.00%				Owned and raised funds
Wuliangye Industrial Park Construction Project	229,980,000.00	116,380,592.65				116,380,592.65	51.37%	65.00%				Own funds and subsidies
Hongba New Park Supporting Facilities Construction Project	655,122,000.00	1,003,096.22	85,446,647.01			86,449,743.23	13.61%	30.00%				Own funds
Pipe Network Reconstruction Project of Jiangbei Park	109,396,900.00	26,591,075.62	11,492,712.96			38,083,788.58	34.81%	98.00%				Own funds
Factory Buildings and Other Buildings Renovation Project of the Company (Phase II)	201,841,000.00	26,482,983.09	9,329,236.39	5,404,014.45		30,408,205.03	26.48%	13.00%				Own funds
Phase II of 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase VI)	50,552,120.00	8,196,054.13	20,068,631.29			28,264,685.42	55.91%	98.00%				Own funds
523 Workshop 1-80 Span Tool Room Upgrade (Emergency)	28,774,300.00		16,691,460.19			16,691,460.19	58.01%	99.00%				Own funds
Brewing Special Grain Process Bin & Milling Automation Renovation Project	414,150,100.00		20,257,399.24			20,257,399.24	4.89%	40.00%				Own funds
503 Workshop Appearance Upgrade	69,690,500.00	8,330,188.68	11,772,000.00			20,102,188.68	28.84%	70.00%				Own funds
Anlequan Scenic Area Upgrade Emergency Project	46,744,700.00		18,618,699.97			18,618,699.97	39.83%	90.00%				Own funds
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase III)	37,490,000.00	2,608,290.56	10,582,981.74			13,191,272.30	35.19%	98.00%				Own funds
Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates	17,600,000.00	10,698,865.18				10,698,865.18	60.79%	99.00%				Own funds
Wuliangye Liquor Plant Main Water Pipe Renovation Project	21,499,200.00	7,251,990.73	3,299,999.99			10,551,990.72	49.08%	70.00%				Own funds
No.4 Kiln Upgrading and Reconstruction Project	48,496,000.00	21,776,007.96	2,440,154.15	24,216,162.11		0.00	58.40%	100%				Own funds
Total	13,111,227,820.00	671,190,653.44	637,598,781.00	29,620,176.56		1,279,169,257.88	--	--				--



**(3) Project goods and materials**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Project goods and materials	1,761,078.76		1,761,078.76	1,761,078.76		1,761,078.76
Total	1,761,078.76		1,761,078.76	1,761,078.76		1,761,078.76

**12. Intangible assets****(1) Note on intangible assets**

Unit: RMB Yuan

Item	Land use right	Patents	Non-patented technology	Software system	Technology use right	Copyright	Total
I. Original book value							
1. Beginning balance	478,693,633.32			73,900,786.38	10,391,942.73		562,986,362.43
2. Increase in current period				44,663,009.88		8,066,037.47	52,729,047.35
(1) Acquisition				44,663,009.88		8,066,037.47	52,729,047.35
(2) Internal research and development							
(3) Increase from business combination							
3. Decrease in current period	1,870,718.14			72,649.57			1,943,367.71
(1) Disposal	1,870,718.14			72,649.57			1,943,367.71
4. Ending balance	476,822,915.18			118,491,146.69	10,391,942.73	8,066,037.47	613,772,042.07
II. Accumulated amortization							
1. Beginning balance	109,251,723.00			33,256,761.33	10,322,650.29		152,831,134.62
2. Increase in current period	9,721,896.00			16,503,789.11	7,358.52	1,344,339.60	27,577,383.23
(1) Provisions	9,721,896.00			16,503,789.11	7,358.52	1,344,339.60	27,577,383.23
3. Decrease in current period	235,047.20			13,319.13			248,366.33
(1) Disposal	235,047.20			13,319.13			248,366.33
4. Ending balance	118,738,571.80			49,747,231.31	10,330,008.81	1,344,339.60	180,160,151.52
III. Provision for impairment							
1. Beginning balance							
2. Increase in current period							
(1) Provisions							

3. Decrease in current period							
(1) Disposal							
4. Ending balance							
IV. Book value							
1. Ending book value	358,084,343.38			68,743,915.38	61,933.92	6,721,697.87	433,611,890.55
2. Beginning book value	369,441,910.32			40,644,025.05	69,292.44		410,155,227.81

At the end of current period, the intangible assets created by internal research and development of the Company accounts for 0.00% of the balance of intangible assets.

## (2) Note on land use right for which the certificate of title has not been obtained

Unit: RMB Yuan

Item	Book value	Reason for not obtaining certificate of title
Land use right	1,165,822.25	The certificate of title has not been obtained due to historical reasons, to which the Company has attached great importance and planned to obtain the certificate of title gradually
Total	1,165,822.25	

## 13. Goodwill

### (1) Original book value of goodwill

Unit: RMB Yuan

Name of invested company or matters forming goodwill	Beginning balance	Increase in current period		Decrease in current period		Ending balance
		Through business combination		Disposal		
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	37,535.96					37,535.96
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	18,005.18					18,005.18
Sichuan Yibin Plastic Packaging Materials Company Limited	666,461.77					666,461.77
Sichuan Yibin Push Group 3D Co., Ltd.	899,616.62					899,616.62
Total	1,621,619.53					1,621,619.53

## 14. Long-term deferred expenses

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Amount amortized to current period	Other decreases	Ending balance
Mold	78,539,047.11	61,017,039.48	40,905,080.80		98,651,005.79
Overhaul expenses of kilns	5,979,307.95	16,289,243.42	5,162,499.07		17,106,052.30
Others	7,082,976.90	2,181,507.56	2,140,469.89		7,124,014.57
Total	91,601,331.96	79,487,790.46	48,208,049.76		122,881,072.66

Other notes:

Long-term deferred expenses include the molds of Sichuan Yibin Plastic Packaging Materials Company Limited, a subsidiary of the Company, and the overhaul expenses of kilns of Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd., which will be amortized in 3 years and 4 years, respectively.

**15. Deferred income tax assets/deferred income tax liabilities****(1) Deferred income tax assets which have not been offset**

Unit: RMB Yuan

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	69,531,164.48	17,382,791.12	62,160,116.40	15,540,029.10
Unrealized profit of internal transaction	687,396,568.96	171,849,142.24	459,631,885.88	114,907,971.47
Payroll payable	3,471,678,797.08	867,919,699.27	3,444,231,749.08	861,057,937.27
Others	1,715,679,789.28	428,919,947.32	663,544,164.64	165,886,041.16
<b>Total</b>	<b>5,944,286,319.80</b>	<b>1,486,071,579.95</b>	<b>4,629,567,916.00</b>	<b>1,157,391,979.00</b>

**(2) Details about deferred income tax assets which have not been recognized**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Deductible temporary differences	7,594,646.58	9,104,208.09
Deductible losses	218,357,092.41	271,450,834.30
<b>Total</b>	<b>225,951,738.99</b>	<b>280,555,042.39</b>

Notes: Due to the uncertainty of whether sufficient taxable income will be obtained in the future, deductible temporary differences and deductible losses of deferred income tax assets are not recognized.

**(3) Deductible losses of deferred income tax assets which have not been recognized will become due in the following years**

Unit: RMB Yuan

Year	Ending amount	Beginning amount	Remarks
Year 2020		4,604,961.02	
Year 2021	11,226,757.85	24,902,925.05	
Year 2022	49,285,485.22	90,071,724.12	
Year 2023	85,123,732.43	101,698,424.52	
Year 2024	45,224,304.55	50,172,799.59	
Year 2025	27,496,812.36		
<b>Total</b>	<b>218,357,092.41</b>	<b>271,450,834.30</b>	--

**16. Other non-current assets**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advances of progress payment for information system construction	293,128,020.09		293,128,020.09	165,284,283.25		165,284,283.25
<b>Total</b>	<b>293,128,020.09</b>		<b>293,128,020.09</b>	<b>165,284,283.25</b>		<b>165,284,283.25</b>

**17. Notes payable**

Unit: RMB Yuan

Type	Ending balance	Beginning balance
Letter of credit	4,076,542.40	
Bank acceptance bill	759,552,349.44	419,485,425.61
<b>Total</b>	<b>763,628,891.84</b>	<b>419,485,425.61</b>

Total amount of notes payable which became matured but unpaid at the end of current period is

RMB 0.00.

**18. Accounts payable****(1) Presentation of accounts payable**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Accounts payable	3,382,875,146.71	3,257,672,975.56
Total	3,382,875,146.71	3,257,672,975.56

**(2) Significant accounts payable over 1 year**

Unit: RMB Yuan

Item	Ending balance	Reason for outstanding or carrying forward
Project payment	20,844,926.92	
Goods payment	10,898,576.68	
Total	31,743,503.60	--

**19. Accounts received in advance****(1) Presentation of accounts received in advance**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Accounts received in advance	23,949,793.92	21,782,796.70
Total	23,949,793.92	21,782,796.70

**(2) Significant accounts received in advance over 1 year**

There was no significant accounts received in advance over 1 year during the reporting period.

**(3) Disclosure by aging:**

Aging	Book balance
Within 1 year	19,214,167.20
1 to 2 years	4,547,861.24
2 to 3 years	113,218.20
More than 3 years	74,547.28
Total	23,949,793.92

**(4) Accounts received in advance with top 5 ending balances:**

Unit name	Ending balance	Proportion in ending balance of accounts received in advance
Henan Huaibin Wulong Wine Industry Co., Ltd.	1,144,539.50	4.78%
Yibin Lianheyibai Supermarket Co., Ltd.	513,419.59	2.14%
Gubeichun Group Co., Ltd.	462,977.00	1.93%
Chengdu Jinqiao Wine Co., Ltd.	260,000.00	1.09%
Anhui Yifajiu Sugar-Wines Supermarket Chainstore Co., Ltd.	242,617.00	1.01%
Total	2,623,553.09	10.95%

**20. Contract liability**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Accounts received in advance	8,618,543,467.25	11,078,218,239.27
Total	8,618,543,467.25	11,078,218,239.27

**21. Payroll payable****(1) Presentation of payroll payable**

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
I. Short-term compensation	3,594,872,516.96	5,557,366,073.46	5,524,262,942.96	3,627,975,647.46
II. Post-employment benefits - defined contribution plans	14,212.85	237,305,943.65	235,770,815.44	1,549,341.06
III. Termination benefits		4,217,845.78	4,217,845.78	
Total	3,594,886,729.81	5,798,889,862.89	5,764,251,604.18	3,629,524,988.52

**(2) Presentation of short-term compensation**

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Salaries, bonuses, allowances and subsidies	3,530,255,438.55	4,527,192,084.57	4,479,534,189.61	3,577,913,333.51
2. Employee benefits		309,498,954.86	309,498,954.86	
3. Social insurance charges	154,678.65	216,582,569.65	216,582,569.65	154,678.65
Including: Medical insurance premium	154,486.34	196,385,486.30	196,385,486.30	154,486.34
Industrial injury insurance premium	107.45	3,067,060.76	3,067,060.76	107.45
Birth insurance premium	84.86	17,130,022.59	17,130,022.59	84.86
4. Housing fund	21,060,784.00	407,067,035.00	399,715,486.00	28,412,333.00
5. Labor union expenditure and personnel educational fund	43,401,615.76	97,025,429.38	118,931,742.84	21,495,302.30
Total	3,594,872,516.96	5,557,366,073.46	5,524,262,942.96	3,627,975,647.46

**(3) Presentation of defined contribution plans**

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Basic pension insurance	14,212.85	71,213,360.60	69,678,232.39	1,549,341.06
2. Unemployment insurance premium		1,745,065.15	1,745,065.15	
3. Corporate pension contribution		164,347,517.90	164,347,517.90	
Total	14,212.85	237,305,943.65	235,770,815.44	1,549,341.06

**22. Tax payable**

Unit: RMB Yuan

Item	Ending balance	Beginning balance
VAT	1,112,034,953.43	839,852,597.96
Consumption tax	1,606,202,793.99	1,830,800,710.07
Corporate income tax	2,516,790,391.94	5,001,143,551.02
Individual income tax	37,055,886.19	13,250,079.02
Urban maintenance and construction tax	248,199,304.35	116,343,916.81
Property tax	725,078.38	369,637.06

Stamp duty	831,884.22	645,760.98
Land use tax	1,075,376.54	1,079,906.23
Education surcharge	11,579,730.23	81,365,635.62
Local education surcharge	7,673,369.90	54,248,855.59
Environmental protection tax	31,561.50	18,621.28
Resource tax		47,317.20
Total	5,542,200,330.67	7,939,166,588.84

Other notes:

The taxes of the Company depend on the amount verified and imposed by the tax authorities.

## 23. Other payables

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Dividend payable	37,918,093.23	
Other payables	2,762,845,488.90	2,292,680,733.51
Total	2,800,763,582.13	2,292,680,733.51

### (1) Dividend payable

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Dividends payable by subsidiaries to minority shareholders	37,918,093.23	
Total	37,918,093.23	

### (2) Other payables

#### 1) Presentation of other payables by nature

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Image publicity expense and sales promotional expense	1,722,127,207.54	1,178,396,467.55
Deposit	816,163,308.72	703,073,760.13
Accrued expenses		230,340,302.12
Money collected or paid for another	54,932,275.78	48,691,583.55
Claims from safeguarding rights	43,349,435.78	42,291,712.18
Others	126,273,261.08	89,886,907.98
Total	2,762,845,488.90	2,292,680,733.51

#### 2) Significant other payables over 1 year

Unit: RMB Yuan

Item	Ending balance	Reason for outstanding or carrying forward
Deposit	89,403,367.23	
Total	89,403,367.23	--

## 24. Other current liabilities

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Taxes to be carried forward	1,117,452,799.61	1,430,705,818.80
Total	1,117,452,799.61	1,430,705,818.80

## 25. Deferred income

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance	Cause
Government subsidy	266,325,368.40		10,372,000.04	255,953,368.36	
Total	266,325,368.40		10,372,000.04	255,953,368.36	--

Projects involving government subsidies:

Unit: RMB Yuan

Liabilities	Beginning balance	New subsidies for current period Amount	Amount recognized as non-operating revenue in current year	Amount recognized as other incomes	Amount offset against costs and expenses in current year	Other changes	Ending balance	Asset-related /income-related
90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)	181,242,000.22			6,712,666.56			174,529,333.66	Asset-related
Brewery Wastewater Comprehensive Treatment Project	15,450,000.00			750,000.00			14,700,000.00	Asset-related
Wastewater Comprehensive Treatment and Transformation Project	13,799,999.95			333,333.36			13,466,666.59	Asset-related
Songgong River (Wuliangye Section) Comprehensive Treatment Project	10,551,166.64			357,666.72			10,193,499.92	Asset-related
Wuliangye Industrial Park Construction Project	10,000,000.00						10,000,000.00	Asset-related
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	10,000,000.00			2,813,600.00			10,000,000.00	Asset-related
Technical Upgrading Project of the Quality Control, Quality	9,270,000.03			343,333.32			8,926,666.71	Asset-related

Inspection and Testing Center								
Wastewater Treatment System Upgrading and Renovation Project	8,639,999.92			320,000.04			8,319,999.88	Asset-related
Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Liquor Pottery Jar Aging Room	2,359,999.76			590,000.04			1,769,999.72	Asset-related
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)	1,833,035.22			219,999.96			1,613,035.26	Asset-related
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase II)	500,000.00			500,000.00				Asset-related
Shiergoubao Production Line Technical Upgrading Project	360,000.00			120,000.00			240,000.00	Asset-related
Industrial development funds	1,000,000.00						1,000,000.00	Income-related
Informatization and big data application	729,166.66			125,000.04			604,166.62	Asset-related
Subsidy for national green plant of 2018	500,000.00						500,000.00	Income-related
Provincial special funds for intellectual property	90,000.00						90,000.00	Income-related
<b>Total</b>	<b>266,325,368.40</b>			<b>10,372,000.04</b>			<b>255,953,368.36</b>	

**26. Capital stock**

Unit: RMB Yuan

	Beginning balance	Increase/decrease (+, -)					Ending balance
		Issuance of new shares	Bonus share	Capitalization of public reserve fund	Others	Sub-total	
Sum of shares	3,881,608,005.00						3,881,608,005.00

**27. Capital reserve**



Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Capital premium (capital stock premium)	2,682,523,702.98			2,682,523,702.98
Other capital reserve	123,383.17			123,383.17
Total	2,682,647,086.15			2,682,647,086.15

**28. Surplus reserve**

Unit: RMB Yuan

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
Statutory surplus reserves	16,092,197,023.01	3,606,328,972.50		19,698,525,995.51
Total	16,092,197,023.01	3,606,328,972.50		19,698,525,995.51

**29. Undistributed profit**

Unit: RMB Yuan

Item	Current period	Previous period
Undistributed profit at the end of previous period before adjustment	51,634,248,548.06	43,802,603,958.99
Undistributed profit at the beginning of the period after adjustment	51,634,248,548.06	43,802,603,958.99
Plus: Net profits attributable to the owners of parent company in current period	19,954,809,594.52	17,402,164,190.16
Less: Appropriation of statutory surplus reserves	3,606,328,972.50	2,971,785,992.59
Common share dividends payable	8,539,537,611.00	6,598,733,608.50
Ending undistributed profit	59,443,191,559.08	51,634,248,548.06

Details of undistributed profit at the beginning of the adjustment period:

- 1). The beginning undistributed profit is adjusted by RMB 0.00 due to the retroactive adjustment according to the Accounting Standards for Business Enterprise and relevant new provisions.
- 2). The beginning undistributed profit is adjusted by RMB 0.00 due to changes in accounting policies.
- 3). The beginning undistributed profit is adjusted by RMB 0.00 due to correction of major accounting errors.
- 4). The beginning undistributed profit is adjusted by RMB 0.00 due to changes in the combination scope arising from the same control.
- 5). The beginning undistributed profit is adjusted by RMB 0.00 in total due to other adjustments.

**30. Operating revenue and operating cost**

Unit: RMB Yuan

Item	Amount in current period		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Primary business	56,786,051,615.16	14,362,156,374.57	49,857,555,489.83	12,578,575,730.65
Other businesses	535,007,837.99	449,805,104.08	260,550,387.31	223,684,216.69
Total	57,321,059,453.15	14,811,961,478.65	50,118,105,877.14	12,802,259,947.34

Whether the lower of net profit before or after deduction of non-recurring profit and loss is negative

Yes  No

Information related to revenue from liquor products in the primary business revenue:

Unit: RMB Yuan

Contracts classification	Eastern Region	Southern Region	Western Region	Northern Region	Central Region	Total
Product type						
Wuliangye products	12,482,563,493.61	5,045,313,472.82	14,266,939,100.35	5,199,208,238.35	7,066,604,045.96	44,060,628,351.09
Series liquor products	1,703,467,453.10	578,468,683.96	4,226,770,672.23	588,238,705.05	1,276,498,001.05	8,373,443,515.39
Classification by sales channel						
On-line	159,627,636.50	10,993,601.57	933,826,426.97	837,151,895.48	14,673,948.68	1,956,273,509.20
Off-line	14,026,403,310.21	5,612,788,555.21	17,559,883,345.61	4,950,295,047.92	8,328,428,098.33	50,477,798,357.28
Classification by sales model						
Distribution models	12,598,450,566.24	4,642,621,184.49	16,419,972,018.45	4,372,948,931.19	7,345,760,192.45	45,379,752,892.82
Direct sales model	1,587,580,380.47	981,160,972.29	2,073,737,754.13	1,414,498,012.21	997,341,854.56	7,054,318,973.66
Total	14,186,030,946.71	5,623,782,156.78	18,493,709,772.58	5,787,446,943.40	8,343,102,047.01	52,434,071,866.48

Information related to performance obligations:

Revenue is recognized at the point when the Company completes its contractual performance obligations when the customer obtains control of the goods to which it belongs in the contractual agreement.

Information related to the transaction price apportioned to the remaining performance obligation:

The amount of revenue corresponding to performance obligations that have been contracted but not yet performed or not completed at the end of the reporting period was RMB 8,618,543,467.25.

**31. Tax and surcharges**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Consumption tax	6,528,819,159.02	5,574,554,509.16
Urban maintenance and construction tax	852,468,951.35	765,970,059.85
Education surcharge	366,214,108.43	328,844,515.77
Resource tax	137,241.30	372,276.20
Property tax	34,344,217.68	28,945,716.04
Land use tax	50,029,296.62	50,020,995.02
Vehicle and vessel use tax	586,715.18	13,797.41
Stamp duty	14,999,803.23	13,660,117.60
Local education surcharge	243,586,461.76	219,840,795.95
Environmental protection tax	1,162,641.53	2,120,319.55
Total	8,092,348,596.10	6,984,343,102.55

**32. Selling expenses**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Image publicity expense	1,148,203,672.92	987,687,876.55
Sales promotional expense	3,302,764,255.56	3,008,319,662.93
Storage and logistics expenses	260,214,712.62	350,991,941.23
Expenses of labour	470,739,623.11	331,708,441.32
Other expenses	396,996,259.77	306,871,414.74
Total	5,578,918,523.98	4,985,579,336.77

Notes: In accordance with the new revenue standard, transportation costs directly related to the performance of contracts were transferred from "selling expenses" to "operating costs" in the current period.

**33. Administrative expenses**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Comprehensive expenses of the Company (including travel, office, expenses of the board of directors, employee remuneration, labor insurance, labor protection appliances, etc)	966,318,139.08	1,148,066,122.90
Rents	361,949,846.81	357,228,294.55
Trademark and logo royalties	639,427,170.39	580,070,408.13
Comprehensive service fee	91,977,989.83	67,614,607.22
Others	549,856,539.98	502,367,715.29
Total	2,609,529,686.09	2,655,347,148.09

**34. Research and development expense**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Comprehensive expenses (including travel, office, payroll, labor insurance, labor protection appliances, etc.)	73,819,430.63	53,752,944.91

Material expenses	18,616,952.02	31,810,442.56
Product design fees	12,189,610.30	14,787,253.09
Depreciation and amortization expenses	8,339,539.69	7,051,081.97
Others	18,349,692.69	18,958,698.58
<b>Total</b>	<b>131,315,225.33</b>	<b>126,360,421.11</b>

**35. Financial expenses**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Interest expenditure		
Less: Interest revenue	1,521,933,975.40	1,416,398,912.72
Exchange loss	128,944.28	134,662.81
Less: Exchange gains	89,237.71	202,724.12
Service charge of financial institutions	1,550,017.99	1,224,741.74
Others	34,825,050.63	-15,503,633.45
<b>Total</b>	<b>-1,485,519,200.21</b>	<b>-1,430,745,865.74</b>

Notes: The rest are mainly note discount expenses.

**36. Other incomes**

Unit: RMB Yuan

Sources of other incomes	Amount in current period	Amount in previous period
Government subsidy	105,648,782.20	130,434,159.51
Tax refunds	56,724,988.21	29,278,082.30
<b>Total</b>	<b>162,373,770.41</b>	<b>159,712,241.81</b>

Notes:

1. Refer to the Note "VII. 48. Government subsidy" for details of government subsidies.
2. The tax refunds are the VAT refunds received by the Company, refer to the Note "VI. Taxes, 2. Tax preference".

**37. Investment income**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Long-term equity investment income accounted by equity method	93,504,494.16	92,500,753.05
<b>Total</b>	<b>93,504,494.16</b>	<b>92,500,753.05</b>

**38. Credit impairment loss**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Bad debt loss of other receivables	-1,480,304.84	-644,388.36
Bad debt loss of accounts receivable	2,504,725.68	-489,191.91
<b>Total</b>	<b>1,024,420.84</b>	<b>-1,133,580.27</b>

**39. Asset impairment loss**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
II. Losses for inventory falling price and losses for impairment of contract performance costs	-13,664,476.45	-3,020,763.91
V. Fixed asset impairment losses	-448,709.53	
<b>Total</b>	<b>-14,113,185.98</b>	<b>-3,020,763.91</b>

**40. Gain from disposal of assets**

Unit: RMB Yuan

Source of gain from disposal of assets	Amount in current period	Amount in previous period
Disposal of non-current assets	1,129,293.57	2,779,400.03
Total	1,129,293.57	2,779,400.03

**41. Non-operating revenue**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period	Amounts recorded into current non-recurring profit or loss
Penalty revenue	9,485,442.44	5,986,339.09	9,485,442.44
Gains from scrap of non-current assets	151,265.50	909,663.24	151,265.50
Others	31,025,244.38	22,994,270.32	31,025,244.38
Total	40,661,952.32	29,890,272.65	40,661,952.32

**42. Non-operating expenditure**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period	Amounts recorded into current non-recurring profit or loss
Donations	160,898,370.13	147,731,056.86	160,898,370.13
Penalty expenditure	251,432.49	266,281.96	251,432.49
Loss on scrap of non-current assets	6,345,206.99	5,260,675.33	6,345,206.99
Abnormal loss	80,408.09	29,395.82	80,408.09
Others	21,063,253.13	16,390,656.88	21,063,253.13
Total	188,638,670.83	169,678,066.85	188,638,670.83

Other notes:

The external donations mainly consist of RMB 139,670,000 to Sichuan Wuliangye Charity Fund and RMB 20 million to Sichuan University Education Foundation Special Fund for High-end Talents. Among which, donations to Sichuan Wuliangye Charity Fund include: RMB 70 million to the Wuliangye Rural Revitalization Industry Road and the RMB 300 million bill donation project; RMB 30 million to the Wuliangye Education Fund; RMB 18.58 million to the Yibin City Sanzhou area poverty alleviation and disaster relief vehicle project; RMB 9 million to the Children's Home "Family-type Foster Care Center" Project, RMB 6.6 million to poverty alleviation projects in Xingwen County, Litang County, Pingshan County and Leibo County, RMB 2.19 million for the network information technology classroom project of Litang Middle School to help fight poverty, RMB 1.5 million to Yibin Care for the Next Generation Foundation, RMB 1 million to help implementing the "Purchase Goods of Yi Nationality, Send Love to Liangshan" project in Liangshan Prefecture, RMB 0.7 million to Jieji Village, Pingbian Yi Township, Pingshan County to match the standard and fill the shortage, and RMB 0.1 million to Litang students in need of financial aid.

**43. Income tax expenses****(1) List of income tax expenses**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Current income tax expenses	7,093,786,409.11	6,163,289,027.89
Deferred income tax expenses	-328,679,600.95	-285,532,262.97
Total	6,765,106,808.16	5,877,756,764.92

**(2) Accounting profit and income tax expense adjustment process**

Unit: RMB Yuan

Item	Amount in current period
Total profit	27,678,447,217.70
Income tax expense calculated with statutory/applicable tax rates	6,919,611,804.43
Impact of different tax rates applicable to subsidiaries	-96,159,078.75
Impact on adjustment of income tax in previous periods	-10,840,567.61
Impact of nontaxable revenue	-23,376,123.54
Impact of non-deductible costs, expenses and losses	2,314,465.17
Impact of deductible losses of deferred income tax assets which have not been recognized in the previous period	-18,996,398.31
Impact of deductible temporary differences or deductible losses of deferred income tax assets which have not been recognized in current period	6,496,812.71
Impact of weighted deduction for salary of the disabled	-12,258,131.94
Impact of weighted deduction for research and development expenses	-454,744.38
Impact of one-time deduction of fixed assets	-1,231,229.62
Income tax expenses	6,765,106,808.16

#### 44. Items of cash flow statement

##### (1) Other cash received relating to operating activities

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Interest revenue	1,823,793,053.16	1,042,012,585.56
Deposits and government subsidies received	419,867,382.82	421,764,044.99
Total	2,243,660,435.98	1,463,776,630.55

##### (2) Other cash paid relating to operating activities

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Expenses relating to selling	1,882,862,475.29	1,766,874,668.53
Comprehensive service fee	91,977,989.83	60,889,059.16
Trademark and logo royalties	639,427,170.39	477,571,873.51
Rents	361,949,846.81	337,348,167.14
Deposits, current accounts and other out-of-pocket expenses paid	984,075,848.21	722,835,412.55
Total	3,960,293,330.53	3,365,519,180.89

#### 45. Supplementary Information to Cash Flow Statement

##### (1) Supplementary Information to Cash Flow Statement

Unit: RMB Yuan

Supplementary information	Amount of current period	Amount of previous period
1. Reconciliation from net profits to cash flows from operating activities:	--	--
Net profit	20,913,340,409.54	18,228,255,278.61
Plus: Provision for impairment of assets	5,926,341.01	3,436,827.62
Fixed assets depreciation,	435,670,691.93	418,406,696.04

oil and gas assets depletion, and productive biological assets depreciation		
Depreciation of right-of-use assets		
Amortization of intangible assets	27,577,383.23	19,235,638.90
Amortization of long-term deferred expenses	48,208,049.76	52,056,059.84
Loss from disposals of fixed assets, intangible assets and other long-term assets (gains indicated with "-")	-1,129,293.57	-2,779,400.03
Scrap loss of fixed assets (gains indicated with "-")	6,193,941.49	4,351,012.09
Loss from changes of fair value (income indicated with "-")		
Financial expenses (gains indicated with "-")	130,439.21	-63,661.42
Investment loss (gains indicated with "-")	-93,504,494.16	-92,500,753.05
Decrease in deferred income tax assets (increase indicated with "-")	-328,679,600.95	-285,532,262.97
Increase in deferred income tax liabilities (loss indicated with "-")		
Decrease in inventory (increase indicated with "-")	444,843,931.64	-1,886,461,774.33
Decrease in operating receivables (increase indicated with "-")	-2,121,902,869.11	-2,354,601,239.25
Increase in operating payables (decrease indicated with "-")	-4,638,347,336.81	9,008,269,618.61
Others		
Net cash flows from operating activities	14,698,327,593.21	23,112,072,040.66
2. Significant investment and financing activities not involving cash:	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalents:	--	--
Ending balance of cash	66,967,091,800.45	63,138,829,242.88
Less: Beginning balance of	63,138,829,242.88	48,888,727,143.63

cash		
Plus: Ending balance of cash equivalents		65,304,080.91
Less: Beginning balance of cash equivalents	65,304,080.91	71,321,754.32
Net increase in cash and cash equivalents	3,762,958,476.66	14,244,084,425.84

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

Unit: RMB Yuan

Item	Ending balance	Beginning balance
I. Cash	66,967,091,800.45	63,138,829,242.88
Including: Cash on hand	25,283.79	28,179.40
Bank deposit readily available for payment	66,967,063,316.29	63,138,797,874.22
Other cash and cash equivalents readily available for payment	3,200.37	3,189.26
II. Cash equivalents		65,304,080.91
Deposit of notes matured within three months		65,304,080.91
III. Ending balance of cash and cash equivalents	66,967,091,800.45	63,204,133,323.79

**46. Assets with restricted ownership or use right**

Unit: RMB Yuan

Item	Ending book value	Reasons for limitation
Cash and cash equivalents	329,069,085.01	Deposit of bank acceptance bill of RMB 328,818,561.81 and other deposits of RMB 250,523.20.
Accounts receivable financing	52,470,000.00	Pledge of bank acceptance bill
Total	381,539,085.01	--

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

Unit: RMB Yuan

Item	Ending balance of foreign currency	Conversion exchange rate	Ending balance converted to RMB
Cash and cash equivalents	--	--	
Including: USD	1,070,821.78	6.5249	6,987,005.03
Euro			
Hong Kong Dollar			
Accounts receivable	--	--	
Including: USD			
Euro			
Hong Kong Dollar			
Long-term loans	--	--	
Including: USD			
Euro			
Hong Kong Dollar			



**(2) Note on overseas operating entities, including disclosure of overseas primary business places, bookkeeping currency and selection basis for important overseas operating entities, and disclosure of the reasons for any change in the bookkeeping currency.**

Applicable  Not applicable

**48. Government subsidy**

**(1) Basic information of government subsidies**

Unit: RMB Yuan

Type	Amount	Presented items	Amounts recorded into current profit or loss
90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)	201,380,000.00	Deferred income	6,712,666.56
Brewery Wastewater Comprehensive Treatment Project	22,500,000.00	Deferred income	750,000.00
Songgong River (Wuliangye Section) Comprehensive Treatment Project	10,730,000.00	Deferred income	357,666.72
Technical Upgrading Project of the Quality Control, Quality Inspection and Testing Center	10,300,000.00	Deferred income	343,333.32
Wastewater Comprehensive Treatment and Transformation Project	10,000,000.00	Deferred income	333,333.36
Wuliangye Industrial Park Construction Project	10,000,000.00	Deferred income	
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	10,000,000.00	Deferred income	2,813,600.00
Wastewater Treatment System Upgrading and Renovation Project	9,600,000.00	Deferred income	320,000.04
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)	6,600,000.00	Deferred income	219,999.96
Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Liquor Pottery Jar Aging Room	5,900,000.00	Deferred income	590,000.04
Shiergoubao Production Line Technical Upgrading Project	1,200,000.00	Deferred income	120,000.00
Informatization and big data application	1,000,000.00	Deferred income	125,000.04
Industrial development funds	1,000,000.00	Deferred income	
Subsidy for national green plant of 2018	500,000.00	Deferred income	
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase II)	500,000.00	Deferred income	500,000.00
Provincial special funds for intellectual property	90,000.00	Deferred income	
VAT deduction	19,895,187.06	Other incomes	19,895,187.06
Huai Bin County Finance Bureau investment promotion subsidy	14,452,862.66	Other incomes	14,452,862.66
Industrial development funds	13,420,000.00	Other incomes	13,420,000.00
Industrial enterprise subsidies	13,415,000.00	Other incomes	13,415,000.00
Enterprise support funds	8,094,872.60	Other incomes	8,094,872.60

Refund of charges of individual income tax	5,241,091.35	Other incomes	5,241,091.35
Subsidies of 2019 for several policies of fastening the construction of modern powerful industrial cities and promoting industrial park innovation, reform and transformation development	3,800,000.00	Other incomes	3,800,000.00
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	2,813,600.00	Other incomes	2,813,600.00
Special fund for talent development	2,493,600.00	Other incomes	2,493,600.00
Special development fund of Yibin County Economic and Commercial Informatization and Science and Technology Bureau	2,380,000.00	Other incomes	2,380,000.00
Yibin Nanxi District Economic Cooperation and Foreign Affairs Bureau award	1,875,000.00	Other incomes	1,875,000.00
Jiang'an County Financial Headquarters Economic Development subsidy	1,587,264.00	Other incomes	1,587,264.00
2019 Yu Liquor overall image promotion special promotion subsidy and Yu Liquor development funds	1,140,000.00	Other incomes	1,140,000.00
Science and technology project funds	1,070,000.00	Other incomes	1,070,000.00
New apprenticeship training subsidy for enterprises in Cuiping District, Yibin City	918,000.00	Other incomes	918,000.00
Glass bottle green manufacturing line transformation pilot project	800,000.00	Other incomes	800,000.00
Subsidies for stabilizing industrial economic growth to support enterprises	362,000.00	Other incomes	362,000.00
2018 urban grassroots Party building subsidies	300,000.00	Other incomes	300,000.00
2019 processing trade and bonded logistics business subsidies	210,800.00	Other incomes	210,800.00
Lead the development of industry standard subsidies	200,000.00	Other incomes	200,000.00
Special fund for IPRs in Sichuan Province in 2019	100,000.00	Other incomes	100,000.00
Entrepreneurship-led employment subsidies	95,177.73	Other incomes	95,177.73
2019 Yibin patent subsidies	82,500.00	Other incomes	82,500.00
Linzhang County Environmental Protection Bureau's subsidies for low nitrogen combustion transformation of coal-fired boilers	80,000.00	Other incomes	80,000.00
Advanced enterprises of Lingang District Management Committee in 2019	78,900.00	Other incomes	78,900.00
Special funds for the development of functional microorganism technology to improve the quality of solid strong-flavor liquor	78,200.00	Other incomes	78,200.00
Other fragmentary government subsidy	292,726.76		292,726.76

Total	396,576,782.16		105,648,782.20
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**(2) Return of government subsidies**

Applicable  Not applicable

**VIII. Changes in consolidation scope****1. Business combination involving enterprises not under the same control**

There is no business combination involving enterprises not under the same control.

**2. Business combination involving enterprises under the same control**

There is no business combination involving enterprises under the same control.

**3. Counter purchase**

There is no subsidiary acquired by counter purchase during the reporting period.

**4. Disposal of subsidiary**

There is no disposal of subsidiary during the reporting period.

**5. Changes in consolidation scope for other reasons**

Explain the changes in consolidation scope for other reasons (such as, establishment of new subsidiary, liquidation of subsidiaries, etc.) and relevant information:

On April 15, 2020, the Company and Wuliangye Group, as reviewed and approved by the 72nd meeting of the fifth board of directors of the Company, jointly funded and established "Sichuan Wuliangye New Retail Management Co., Ltd." (hereinafter referred to as the "New Retail Company"), of which the registered capital was RMB 100 million. The Company contributed RMB 90 million, taking up 90% of the registered capital; Wuliangye Group contributed RMB 10 million, taking up 10% of the registered capital; and Sichuan Wuliangye New Retail Management Co., Ltd. is included in the consolidation scope of the Company since its establishment.

**IX. Interests in other entities****1. Interests in subsidiaries****(1) Compositions of the Group**

Name of subsidiary	Primary business place	Registered address	Nature of business	Shareholding proportion		Way of acquisition
				Directly	Indirectly	
Sichuan Yibin Wuliangye Winery Co., Ltd.	Yibin	Yibin	Manufacturing	99.00%	0.99%	Establishment
Yibin Wuliangye Liquor Sales Co., Ltd.	Yibin	Yibin	Business	95.00%		Establishment
Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Yibin Wuliangchun Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	Yibin	Yibin	Business	99.00%	0.95%	Establishment
Yibin Jiangjiu Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.	Yibin	Yibin	Manufacturing	51.00%		Establishment
Sichuan Jinwuxin Technology Co., Ltd.	Yibin	Yibin	Business		51.00%	Business combination

						involving enterprises not under the same control
Sichuan Jiebeike Environmental Technology Co., Ltd.	Yibin	Yibin	Engineering		26.01%	Establishment
Yibin Changjiangyuan Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Yibin Changjiangyuan Trade Co., Ltd.	Yibin	Yibin	Business		100.00%	Establishment
Yibin Changjiangyuan Brewery Co., Ltd.	Yibin	Yibin	Manufacturing		100.00%	Establishment
Yibin Wuliangye Organic Agriculture Development Co., Ltd.	Yibin	Yibin	Agriculture		100.00%	Establishment
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	90.00%		Establishment
Yibin Xianlin Liquor Marketing Co., Ltd.	Yibin	Yibin	Business		90.00%	Establishment
Yibin Wuliangye Xinshengdai Liquor Co., Ltd.	Yibin	Yibin	Business		42.30%	Establishment
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	Yibin	Yibin	Manufacturing	97.00%	1.53%	Establishment
Yibin Xinxing Packaging Co., Ltd.	Yibin	Yibin	Business		98.53%	Establishment
Sichuan Yibin Plastic Packaging Materials Company Limited	Yibin	Yibin	Manufacturing	100.00%		Business combination involving enterprises not under the same control
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combination involving enterprises not under the same control
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combination involving enterprises not under the same control
Sichuan Yibin Push Group 3D Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combination involving enterprises not under the same control

Guangdong Foshan Plastic Packaging Materials Company Limited	Foshan	Foshan	Manufacturing		100.00%	Establishment
Sichuan Yibin Wuliangye Investment (Consulting) Co.,Ltd.	Yibin	Yibin	Investment	95.00%		Establishment
Wuhou Cultural Development Co., Ltd.	Beijing	Beijing	Cultural industry		70.30%	Establishment
Yibin Zhenwushan Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Yibin Shiji Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Yibin Cuiplingshan Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Beijing	Beijing	Business	95.00%		Establishment
Handan Yongbufenli Liquor Co., Ltd.	Handan	Handan	Manufacturing	51.00%		Establishment
Linzhang Desheng Wine Trade Co., Ltd.	Handan	Handan	Business		51.00%	Establishment
Handan Yongbufenli Sales Co., Ltd.	Handan	Handan	Business		51.00%	Establishment
Huaibin Wubin Consultation Service Co., Ltd.	Huaibin	Huaibin	Consultation	100.00%		Business combination involving enterprises not under the same control
Wuguchun Jiu Ye Co., Henan. China	Huaibin	Huaibin	Manufacturing	11.03%	40.00%	Business combination involving enterprises not under the same control
Huaibin Tenglong Trade Co., Ltd.	Huaibin	Huaibin	Business		51.03%	Establishment
WU JIU YE SALES CO., HENAN. China	Huaibin	Huaibin	Business		51.03%	Establishment
Sichuan Wuliangye Culture Tourism Development Co., Ltd	Yibin	Yibin	Tourism industry	80.00%		Establishment
Sichuan Wuliangye Tourist Agency Co., Ltd.	Yibin	Yibin	Tourism industry		80.00%	Establishment
Yibin Wuliangye Creart Co., Ltd.	Yibin	Yibin	Business	45.00%		Establishment
Wuliang NongXiang Series Baijiu Yibin Co., Ltd.	Yibin	Yibin	Business	95.00%		Establishment
Sichuan Wuliangye New Retail Management Co., Ltd.	Chengdu	Chengdu	Business	90.00%		Establishment

Note on the difference between shareholding proportion and proportion of votes in subsidiary:

As reviewed and approved by the 5th board of directors of the Company, the Company, Beijing Sparkle Investment Co., Ltd., Shanghai Yue Shan Investment Management Co., Ltd. and Changjiang Growth Capital Co., Ltd. jointly funded and established Yibin Wuliangye Creart Co., Ltd. (hereinafter referred to as the "Creart Company"), of which the registered capital is RMB 100 million. The Company contributes RMB 45 million, taking up 45% of the registered capital. On December 9, 2014, Shanghai Yue Shan Investment Management Co., Ltd. and the Company entered into the Investment Cooperation Agreement of Yibin Wuliangye Creart Co., Ltd. through mutual negotiation, Shanghai Yue Shan Investment Management Co., Ltd. entrusted the Company for management of the 6% equity held by it in

Creart Company from the effective date of the agreement till the duration of Creart Company. The Company will be entitled to the right of management of Shanghai Yue Shan Investment Management Co., Ltd. in Creart Company and the voting right at the shareholder meetings of Creart Company. The Company holds 51% of the voting rights at shareholder meetings of Creart Company in total, and therefore Creart Company is included in the consolidated statements.

As resolved by the shareholder meeting of Creart Company on February 23, 2018, Changjiang Growth Capital Co., Ltd. transferred 11% of the equity to Shanghai Yue Shan Investment Management Co., Ltd. and 6% of the equity to CHINA FINANCIAL INVESTMENT MANAGEMENT LIMITED; as resolved by the shareholder meeting of Creart Company on July 16, 2018, Beijing Sparkle Investment Co., Ltd. transferred 20% of the equity to Beijing Sparkle Hengye Education and Cultural Development Co., Ltd.; after the said equity transfer, the Company still holds 51% of the voting right at shareholder meetings of Creart Company, and therefore it is included in the consolidated statements.

The basis of controlling the invested company even if holding half or less than half voting rights and not controlling the invested company even if holding more than half voting rights:

1. As reviewed and approved by the 5th board of directors of the Company, the Company, Beijing Sparkle Investment Co., Ltd., Shanghai Yue Shan Investment Management Co., Ltd. and Changjiang Growth Capital Co., Ltd. jointly funded and established Yibin Wuliangye Creart Co., Ltd. (hereinafter referred to as the "Creart Company"), of which the registered capital is RMB 100 million. The Company contributes RMB 45 million, taking up 45% of the registered capital. On December 9, 2014, Shanghai Yue Shan Investment Management Co., Ltd. and the Company entered into the Investment Cooperation Agreement of Yibin Wuliangye Creart Co., Ltd. through mutual negotiation, Shanghai Yue Shan Investment Management Co., Ltd. entrusted the Company for management of the 6% equity held by it in Creart Company from the effective date of the agreement till the duration of Creart Company. The Company will be entitled to the right of management of Shanghai Yue Shan Investment Management Co., Ltd. in Creart Company and the voting right at the shareholder meetings of Creart Company. The Company holds 51% of the voting rights at shareholder meetings of Creart Company in total, and therefore Creart Company is included in the consolidated statements.

As resolved by the shareholder meeting of Creart Company on February 23, 2018, Changjiang Growth Capital Co., Ltd. transferred 11% of the equity to Shanghai Yue Shan Investment Management Co., Ltd. and 6% of the equity to CHINA FINANCIAL INVESTMENT MANAGEMENT LIMITED; as resolved by the shareholder meeting of Creart Company on July 16, 2018, Beijing Sparkle Investment Co., Ltd. transferred 20% of the equity to Beijing Sparkle Hengye Education and Cultural Development Co., Ltd.; after the said equity transfer, the Company still holds 51% of the voting right at shareholder meetings of Creart Company, and therefore it is included in the consolidated statements.

2. On October 26, 2015, as reviewed and adopted by the 10th meeting of the 5th board of directors of the Company: Sichuan Yibin Wuliangye Group Xianlin Fruit Wine Co., Ltd. (which had been renamed as Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd. in 2019), a controlling subsidiary of the Company and contributing RMB 14.1 million (taking up 47% of the equity), Yibin Guotai Commerce and Trade Co., Ltd. (which is now Yibin Guotai Supply Chain Management Co., Ltd.) and contributing RMB 11.4 million (taking up 38% of the equity), and Guangzhou Jude Trade Co., Ltd., contributing RMB 4.5 million (taking up 15% of the equity), jointly established "Yibin Wuliangye Xinshengdai Liquor Co., Ltd." (hereinafter referred to as "Xinshengdai Company"), of which the registered capital is RMB 30 million. Registration of Xinshengdai Company was completed on July 11, 2016. Its registered capital is RMB 30 million. The board of directors of Xingshengdai Company consists of 5 directors. The Company holds 2/3 of the voting rights in it, and therefore it is included in the consolidated statements.

## (2) Important non-wholly owned subsidiaries

Unit: RMB Yuan

Name of subsidiary	Minority shareholders shareholding proportion	Current profits and losses attributable to minority shareholders	Current dividends declared to minority shareholders	Ending balance of minority equity
Yibin Wuliangye Liquor Sales Co., Ltd.	5.00%	853,340,651.34	686,594,317.48	1,223,082,616.43

**(3) Main financial information of important non-wholly owned subsidiaries**

Unit: RMB Yuan

Name of subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yibin Wuliangye Liquor Sales Co., Ltd.	38,220,982,171.89	845,669,041.27	39,066,651,213.16	14,895,619,601.97		14,895,619,601.97
	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	43,177,094,335.69	670,748,625.90	43,847,842,961.59	23,011,738,027.70		23,011,738,027.70

Unit: RMB Yuan

Name of subsidiary	Amount in current period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Yibin Wuliangye Liquor Sales Co., Ltd.	50,993,911,050.55	17,066,813,026.81	17,066,813,026.81	9,446,358,627.67
	Amount in previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
	46,559,665,282.40	15,289,221,216.27	15,289,221,216.27	17,588,142,720.27



## 2. Interests in joint venture arrangement or associates

### (1) Important joint ventures or associates

Name of joint venture or associate	Primary business place	Registered address	Nature of business	Shareholding proportion		Accounting treatment of investment in joint ventures or associates
				Directly	Indirectly	
Oriental Outlook Media Co., Ltd.	Beijing	Beijing	Advertising industry	49.00%		Equity method
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Yibin	Yibin	Financial industry	40.56%		Equity method
Yibin Jiamei Intelligent Packaging Co., Ltd.	Yibin	Yibin	Packaging and printing industry		48.28%	Equity method

Note on the difference between shareholding proportion and proportion of votes in joint ventures or associates:

The basis of controlling the invested company even if holding less than 20% voting rights but having significant influence on the invested company, or holding 20% or more than 20% voting rights but not having significant influence on the invested company:

### (2) Main financial information of important associates

Unit: RMB Yuan

	Ending balance/Amount in current period	Beginning balance/Amount in previous period
	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Sichuan Yibin Wuliangye Group Finance Co., Ltd.
Total assets	38,112,303,722.15	47,753,623,863.80
Total liabilities	33,620,219,849.48	44,990,128,067.29
Equity attributable to the shareholders of parent company	4,492,083,872.67	2,763,495,796.51
Share of net assets calculated according to the shareholding proportion	1,821,989,218.75	994,858,486.74
Book value of equity investment in associates	1,821,989,218.75	994,858,486.74
Operating revenue	549,652,714.68	458,658,749.74
Net profit	228,588,076.16	247,562,604.36
Total comprehensive income	228,588,076.16	247,562,604.36

### (3) Main financial information of unimportant joint ventures and associates

Unit: RMB Yuan

	Ending balance/Amount in current period	Beginning balance/Amount in previous period
Joint ventures:	--	--
Total amount of the following items calculated by shareholding proportion	--	--
Associates:	--	--
Total book value of investments	32,582,160.88	26,920,244.84
Total amount of the following items calculated by shareholding proportion	--	--
--Net profit	5,661,916.04	3,378,215.48
--Total comprehensive income	5,661,916.04	3,378,215.48

## 3. Interests in the structured entity that is not included in the consolidated financial statements

Note on structured entity that is not included in the consolidated financial statements: None



**X. Disclosure of fair value****1. Fair value of assets and liabilities measured at fair value at the end of the period**

Unit: RMB Yuan

Item	Fair value at the end of the period			
	Fair value measurement at level I	Fair value measurement at level II	Fair value measurement at level III	Total
I. Continuous fair value measurement	--	--	--	--
(I) Trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated to be measured at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investment				
(IV) Investment properties				
1. Land use right for lease				
2. Buildings for rent				
3. Land use right for lease held and ready to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Accounts receivable financing			2,024,442,016.72	2,024,442,016.72
(VII) Other non-current financial assets			1,200,000.00	1,200,000.00
Total assets measured at fair value on an ongoing basis			2,025,642,016.72	2,025,642,016.72
(VIII) Trading financial liabilities				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
(IX) Financial liabilities designated as measured at fair value through profit or loss				
Total liabilities measured at fair value on an ongoing basis				
II. Fair value measurement on a non-ongoing basis	--	--	--	--
(I) Assets held for sale				
Total assets measured at fair value on a non-ongoing basis				
Total liabilities measured at fair value on a non-ongoing basis				

**2. Basis for determining the market value of level I fair value measurement items on an ongoing and non-ongoing bases**

Applicable  Not applicable

**3. For level II fair value measurement items on an ongoing and non-ongoing bases, qualitative and quantitative information on the valuation techniques used and significant parameters**

Applicable  Not applicable

**4. For level III fair value measurement items on an ongoing and non-ongoing bases, qualitative and quantitative information on the valuation techniques used and significant parameters**

Accounts receivable financing: Due to the short term of notes receivable held by the Company, and the selling time, selling price and selling proportion cannot be estimated reliably, the Company measures the notes receivable according to the par value as a reasonable estimate of fair value.

Other non-current financial assets: Since the Company holds other non-current financial assets that are not traded in an active market, and its equity interest in the invested company is low and has no significant influence, it is not realistic and feasible to value the equity in the invested company using the income approach or market approach, and there is no recent introduction of external investors to the invested company or transfer of equity among shareholders that can be used as a reference basis for determining fair value. In addition, the Company has not found any significant changes in the internal and external environment of the invested company since the beginning of the year from the analysis of the relevant information available, therefore, it is a "limited circumstances" in which the carrying cost can be used as the best estimate of the fair value, and therefore the fair value is based on the cost at the end of the year.

**5. For level III fair value measurement items on an ongoing basis, reconciliation information between beginning and ending carrying values and sensitivity analysis of unobservable parameters**

Applicable  Not applicable

**6. For fair value measurement items on a continuous basis, if there is a conversion between different levels in the current period, the reasons for the conversion and the policy for determining the conversion time point**

Applicable  Not applicable

**7. Changes in valuation techniques occurring in the current period and reasons for changes**

Applicable  Not applicable

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

Applicable  Not applicable

**XI. Related parties and related transactions****1. Note on parent company of the Company**

Name of parent company	Registered address	Nature of business	Registered capital	Shareholding ratio of the parent company in the Company	Proportion of votes of the parent company in the Company
Yibin Development Holding Group Co., Ltd.	Yibin	Investment	RMB 1,390 million	34.43%	34.43%

Note on parent company of the Company:

Yibin Development Holding Group Co., Ltd is a wholly state-owned company funded and established by the People's Government of Yibin City. Legal representative of the company is Hua Shurui and its registered capital is RMB 1,390 million. Its business scope includes the state-owned property right (including state-owned shares), state-owned assets and state investments as authorized by the People's Government of Yibin City. The company, as an investor, conducts capital management and assets management by holding, shareholding, investment and receiving assignment, transfer, auction, and lease within the limits of authority.

Main functions of Yibin Development Holding Group Co., Ltd. include: First, holding state-owned equity and exercising shareholder's rights in municipal-level enterprise on behalf of the People's Government of Yibin City; second, raising funds for key construction projects as a investment and financing platform of the People's Government of Yibin City, and investing in such projects by

shareholding and holding; third, promoting the maintenance and appreciation of the value of state-owned assets and economic development of the city by capital management and assets management.

Yibin Development Holding Group Co., Ltd., by administrative transfer of state-owned assets, holds 100% of the equity of Sichuan Yibin Wuliangye Group Co., Ltd., so that it controls 2,128,371,363.00 shares of the Company directly or indirectly, taking up 54.83% of the total capital stock of the Company.

The State-owned Assets Supervision and Administration Commission of Yibin Municipal Government is the ultimate controller of the Company.

## 2. Note on subsidiaries of the Company

Refer to the Note "IX. Interests in other entities" for information about subsidiaries of the Company.

## 3. Note on joint ventures and associates of the Company

Refer to the Note "IX. Interests in other entities" for information about important joint ventures and associates of the Company.

Other associates or joint ventures that conducted related party transactions with the Company in current period, or formed the balance of related party transactions with the Company in the previous periods are as follows:

Name of joint venture or associate	Relationship with the Company
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Associates
Yibin Jiamei Intelligent Packaging Co., Ltd.	Associates

## 4. Note on other related parties

Names of other related parties	Relationship between other related parties and the Company
Sichuan Yibin Wuliangye Group Co., Ltd.	Legal representative of the Company concurrently serves as the President (General Manager) of Wuliangye Group Company, and some directors and officers of the Company currently hold positions in Wuliangye Group Company; directly holding 20.40% equities of the Company
Sichuan Anji Logistic Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Anji Logistic Group Shenzhou Transportation Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Wuliangye Group I&E Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Push Group Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Huanyu Trade Co. Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Push Mold Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Push Acetati Company Limited	Subsidiaries of Push Group Company
Sichuan Sacred Mountain Molin Group Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Shengdi Trade Co. Ltd.	Subsidiaries of Sacred Mountain Molin Group
Yibin Jinlong Trade Development Corporation	Subsidiaries of Wuliangye Group
Sichuan Yibin Global Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Licai Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Push Drive Co., Ltd.	Subsidiaries of Push Group Company
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Yibin Push Building Materials Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Yibin Push Auto Parts Co., Ltd.	Subsidiaries of Push Group Company

Push Information & Automation (Chengdu) Co., Ltd.	Subsidiaries of Push Group Company
Chengdu Global Special Glass Manufacturing Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Zhongke Better Technology Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Wuliangye Group Anji Logistic Shipping Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Ansage International Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Ansage Auto Service Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Yibin Weilisi Float Glass Manufacturing Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Haida Rubber Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Tyre Rubber (Group) Co., Ltd.	Subsidiaries of Haida Rubber Group Co., Ltd.
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Baiweiyuan Food Co., Ltd.	Subsidiaries of Wuliangye Group
Chengdu Huayu Glass Manufacturing Co., Ltd.	Subsidiaries of Global Group Company
Chengdu Ningjiang Machine Tool Sales Co., Ltd.	Subsidiaries of Push Group Company
Yibin Push Linko Technology Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Putian Packaging Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Sacred Mountain Hechang Clothing Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Chengdu Sacred Mountain Clothing Company	Subsidiaries of Sacred Mountain Molin Group
Yibin Push Assets Management Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Ansage Supply Chain Management Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Andaxin Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Global Energy Conservation Service Co., Ltd.	Subsidiaries of Global Group Company
Yibin Wuliangye Ecological Brewing Co., Ltd.	Subsidiaries of Health Wine Group Company
Chengdu Wu Liang Ye Grand Hotel Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Jitai Automobile Sales & Service Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Wuliangye Fund Management Co., Ltd.	Subsidiaries of Wuliangye Group
Wuming Tea Industry Holding Co., Ltd.	Subsidiaries of Wuliangye Group Fund Company
Sichuan Linhu Tea Co., Ltd.	Subsidiaries of Wuliangye Group Fund Company
Yibin Leitian Agricultural Development Co., Ltd.	Subsidiaries of Wuliangye Group Fund Company
Sichuan Huansheng Pharmacy Co., Ltd.	Subsidiaries of Yibin Medicine
Sinopharm Group Yibin Medicine Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Paper Industry Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Wucai Packaging Co., Ltd.	Subsidiaries of LICRI Group
Sichuan Yibin Push Drive Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Subsidiaries of Health Wine Group Company
Sichuan Nongwu E-commerce Co., Ltd.	Subsidiaries of Wuliangye Group Fund Company
Sichuan Shengshan Hexu Import & Export Trading Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Chengdu Global Special-Glass Manufacture Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Shuzhan New Materials Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group

Yibin Jichi Automobile Sales Service Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Sichuan Yibin Wuliangye Group Pengcheng Electronics Instrument Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Chuanhong Tea Group Co., Ltd.	Subsidiaries of Wuliangye Group Fund Company
Yibin Ansage Auto Service Co., Ltd. Chhengdu Branch	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Tyre Rubber (Group) Co., Ltd.	Subsidiaries of Haida Rubber Group Co., Ltd.

## 5. Related transactions

### (1) Related transaction of purchases and sales of goods, provision and acceptance of services

Purchase of goods/acceptance of services

Unit: RMB Yuan

Related parties	Content of related transaction	Amount in current period	Amount in previous period
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Raw materials, etc.	374,497,666.87	301,983,377.21
Sichuan Sacred Mountain Molin Group Co., Ltd.	Workwear, raw materials, etc.	319,408,705.14	26,945,284.35
Wuming Tea Industry Holding Co., Ltd.	Tea, etc.	141,263,221.53	7,222,346.19
Sichuan Yibin Push Group Co., Ltd.	RFID anti-counterfeit labels, etc.	84,792,975.46	56,232,156.94
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Liquors	67,919,611.22	
Sichuan Yibin Push Mold Co., Ltd.	Molds, raw materials, etc.	59,250,291.62	109,798,846.35
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Raw materials	53,748,609.10	60,424,484.53
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Raw materials, etc.	44,301,991.81	110,639.79
Yibin Ansage International Logistic Co., Ltd.	Liquors	44,251,327.38	
Yibin Jinlong Trade Development Corporation	Raw materials, etc.	40,996,644.76	290,706,070.30
Sichuan Sacred Mountain Molin Group Co., Ltd.	Labor protection appliances, etc.	38,714,015.75	24,336,543.65
Yibin Push Linko Technology Co., Ltd.	Raw materials	26,536,541.38	
Yibin Wucai Packaging Co., Ltd.	Liquors	25,865,591.46	
Sichuan Yibin Global Group Co., Ltd.	Paper products, etc.	23,676,240.12	
Sichuan Yibin Push Drive Co., Ltd.	Raw materials, etc.	18,984,916.66	23,294,806.98
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Glass bottle	16,030,975.17	
Chengdu Global Special-Glass Manufacture Co., Ltd.	Industrial paperboard	11,488,219.80	
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Liquors	11,196,235.86	
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Liquors	11,195,452.74	
Yibin Wucai Packaging Co., Ltd.	Packing materials	8,650,026.20	
Sichuan Ansage Supply Chain Management Co., Ltd.	Raw materials	8,114,838.19	
Sinopharm Group Yibin Medicine Co., Ltd.	Medicine, etc.	7,972,120.82	
Sichuan Putian Packaging Co., Ltd.	Slices, paper, etc.	7,961,394.53	11,196,877.60
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Raw materials	7,885,162.30	
Sichuan Haida Rubber Group Co., Ltd.	Raw materials	7,883,320.00	
Chengdu Huayu Glass Manufacturing Co.,	Raw materials	4,143,258.12	21,183,258.71

Ltd.			
Sichuan Huansheng Pharmacy Co., Ltd.	Medicine	3,235,716.63	1,437,983.40
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Packaging materials, etc.	3,177,152.17	
Yibin Ansage Auto Service Co., Ltd.	Gasoline	2,300,000.18	1,507,849.01
Yibin Wuliangye Group I&E Co., Ltd.	Liquors	2,217,564.96	1,478,570.01
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Raw materials, etc.	2,191,204.82	
Sichuan Yibin Push Building Materials Co., Ltd.	Raw materials, etc.	1,511,362.08	650,635.5
Sichuan Shuzhan New Materials Co., Ltd.	Raw materials, etc.	291,094.03	1,478,897.85
Yibin Shengdi Trade Co. Ltd.	Labor protection appliances, etc.	14,620.67	16,696,955.69
Yibin Shengdi Trade Co. Ltd.	Packing materials	8,800.00	174,572,272.41
Chengdu Wu Liang Ye Grand Hotel Co., Ltd.	Liquors		30,479,352.83
Sub-total of other fragmentary related procurement		3,138,951.40	1,912,059.98
<b>Total related procurement</b>		<b>1,484,815,820.93</b>	<b>1,163,649,269.28</b>
Sichuan Anji Logistic Group Co., Ltd.	Freight and miscellaneous expenses, external labor cost, etc.	534,305,032.99	536,072,363.11
Yibin Jiamei Intelligent Packaging Co., Ltd.	Outsourced processing fee	30,712,887.50	
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Freight and miscellaneous expenses, company bus expenses, etc.	21,407,805.87	17,028,929.67
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Maintenance cost, etc.	7,408,091.53	8,903,084.34
Yibin Global Energy Conservation Service Co., Ltd.	Flue gas treatment, etc.	3,441,567.70	2,973,218.40
Yibin Ansage Auto Service Co., Ltd.	Freight and miscellaneous expenses, maintenance, vehicle cost, etc.	1,693,227.24	3,438,785.56
Sichuan Shuzhan New Materials Co., Ltd.	Printing and production cost	838,938.06	1,180,111.07
Sichuan Ansage Supply Chain Management Co., Ltd.	Freight and miscellaneous expenses	814,067.82	1,291,498.45
Yibin Push Linko Technology Co., Ltd.	Maintenance cost	492,248.77	1,607,648.75
Chengdu Wu Liang Ye Grand Hotel Co., Ltd.	Publicity expense, etc.		5,406,017.06
Sub-total of other fragmentary services received		1,873,704.46	1,835,708.73
<b>Total services received</b>		<b>602,987,571.94</b>	<b>579,737,365.14</b>

Related transaction of purchases of goods and acceptance of services:

Note 1: On January 1, 2018, the Company and Yibin Shengdi Trade Co. Ltd. entered into the Labor Protection Appliances and Packing Bags Supply Agreement, according to which the latter shall supply products to the Company based on its needs for production and operation. The Company conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received of the packing bags provided by Shengdi Company is the qualified quantity after the production and use by the Company, and the actual quantity received of the labor protection appliances is the quantity accepted by the Company. The settlement shall be based on the actual quantity received as determined by the Company. Price of the products supplied under the Agreement strictly complies with the market price and shall not be higher than the price charged by Shengdi Company for providing the products to any third party. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Yibin Jinlong Trade Development Corporation entered into the Raw and Auxiliary Materials Supply Agreement, according to which the latter shall supply raw and auxiliary materials to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which



actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 3: The Company and Sichuan Anji Logistic Group Co., Ltd. entered into the Logistics Service Agreement, according to which the Company outsources the logistics business during the production and operation to Anji Logistic Group. The scope of logistics business includes loading and unloading, handling, storage, and transportation of raw and auxiliary materials during the procurement logistics, production logistics and sales logistics. Anji Group shall provide professional logistics service to ensure the safety and timeliness of the products. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Group Co., Ltd. entered into the Anti-counterfeit Labels Supply Agreement, according to which the latter shall supply anti-counterfeit labels to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the quantity that passes the acceptance inspection. The agreement products are paid at market price based on the actual qualified quantity of the packing workshop of the Company. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 5: On January 1, 2018, the Company and Sichuan Yibin Push Mold Co., Ltd. entered into the Mold Supply Agreement, according to which the latter shall supply molds to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 6: On January 1, 2018, the Company and Sichuan Yibin Push Drive Co., Ltd. entered into the Injection Products Supply Agreement, according to which the latter shall supply products to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 7: On January 1, 2018, the Company and Sichuan Putian Packaging Co., Ltd. entered into the Supply Agreement of Container Bags, Boxes, Accessories, Raw and Auxiliary Materials, according to which the latter shall supply container bags, boxes, accessories, raw and auxiliary materials to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use by the Company. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 8: The Company and Sichuan Yibin Global Group Tianwo Trade Co., Ltd. entered into the Cooperation Agreement, according to which the latter shall supply base paper, raw materials for glass, labor protection appliances, auxiliary materials, and other materials to the Company based on its needs for production and operation. Price of the products is determined by the market price through negotiation and confirmed by contract. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 9: On January 1, 2018, the Company and Chengdu PUTH Medical Plastics Packaging Co., Ltd. entered into the Supply Agreement of Injection Products, Blister Products and Film Products, according to which the latter shall supply products to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 10: On August 6, 2019, the Company and Sichuan Sacred Mountain Molin Group Co., Ltd. entered into the Procurement Contract of Salesman Uniform for Wuliangye Exclusive Shop, according to which the latter shall supply a batch of salesman uniforms for Wuliangye exclusive shops to the Company. Settlement shall be based on the quantity actually delivered. The product price consists of expenses (tax inclusive) of the goods related to materials, manufacturing, packing, transportation, inspection, and acceptance incurred before delivery, and those of the maintenance services and spare parts during the warranty period and other relevant items.

Statement of sales of goods/provision of services

Unit: RMB Yuan

Related parties	Content of related transaction	Amount in current period	Amount in previous period
Yibin Wuliangye Group I&E Co., Ltd.	Liquor products	407,232,474.70	652,880,429.95
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Liquor products	213,211,849.44	565,230.53
Sichuan Putian Packaging Co., Ltd.	Bottle caps, slices, etc.	153,174,504.82	191,905,219.10
Sichuan Yibin Global Group Co., Ltd.	Raw materials such as glass bottles	130,352,494.03	28,853,048.01
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Glass bottles, paper products, etc.	118,674,546.31	57,930,524.81
Sichuan Shengshan Hexu Import & Export Trading Co., Ltd.	Raw materials	112,926,805.75	
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Liquor products	57,245,624.77	
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Slices, coiled materials, etc.	42,967,678.11	51,564,215.88
Sichuan Nongwu E-commerce Co., Ltd.	Liquor products	38,503,865.67	
Chengdu Huayu Glass Manufacturing Co., Ltd.	Cartons, glass bottles, etc.	37,630,157.13	14,907,215.21
Sichuan Yibin Push Auto Parts Co., Ltd.	Raw materials, etc.	36,330,151.38	75,061,728.49
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Liquor products	33,776,653.50	16,286,898.80
Sichuan Sacred Mountain Molin Group Co., Ltd.	Liquor products, etc.	29,055,333.51	
Sichuan Yibin Push Building Materials Co., Ltd.	Slices, etc.	26,499,939.82	15,991,958.85
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Liquor products	23,826,649.58	
Sichuan Yibin Push Group Co., Ltd.	Plastic products	22,824,155.97	57,559.00
Sichuan Yibin Push Drive Co., Ltd.	Slices, etc.	21,130,299.93	22,399,640.97
Yibin Jinlong Trade Development Corporation	Liquor products	15,970,781.04	7,870,256.50
Chengdu Global Special-Glass Manufacture Co., Ltd.	Glass bottle	14,478,940.60	
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Industrial paperboard	11,489,368.64	
Sichuan Yibin Licai Group Co., Ltd.	Liquor products	11,197,235.86	
Sichuan Sacred Mountain Hechang Clothing Co., Ltd.	Plastic products	9,824,941.11	18,004,711.29
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Raw materials	7,883,585.47	
Sichuan Linhu Tea Co., Ltd.	Sundries, etc.	6,469,645.74	477,876.11
Sinopharm Group Yibin Medicine Co., Ltd.	Liquor products	5,559,104.88	526,341.62
Sichuan Shuzhan New Materials Co., Ltd.	Hang tags, labels, etc.	5,525,892.62	7,907,456.49
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Packing materials	4,461,608.28	3,713,386.76
Yibin Jinlong Trade Development Corporation	Mixed grains, DDGS	3,807,071.70	4,004,260.39
Sichuan Yibin Global Group Tianwo Trade Co.,	Industrial sodium	3,319,168.46	37,516,574.09



Ltd.	carbonate		
Yibin Jiamei Intelligent Packaging Co., Ltd.	Paper products, etc.	2,131,541.87	
Sichuan Push Acetati Company Limited	Raw materials, etc.	1,466,710.69	125,985.74
Sichuan Tyre Rubber (Group) Co., Ltd.	Liquor products	1,465,486.72	7,964.60
Wuming Tea Industry Holding Co., Ltd.	Liquor products	1,350,529.39	632,792.69
Chengdu Wu Liang Ye Grand Hotel Co., Ltd.	Liquor products	1,081,555.75	27,523,335.87
Sichuan Nongwu E-commerce Co., Ltd.	Sundries	1,020,744.06	
Sichuan Linhu Tea Co., Ltd.	Liquor products	725,872.57	1,811,362.84
Push Information & Automation (Chengdu) Co., Ltd.	Bottle caps, glass bottles, etc.	33,466.05	1,073,093.87
Yibin Jinlong Trade Development Corporation	Lactic acid		47,502,991.20
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Slices		28,286,548.75
Yibin Huanyu Trade Co. Ltd.	Liquor products		6,626,332.05
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Coal		5,387,532.19
Yibin Leitian Agricultural Development Co., Ltd.	Liquor products		1,015,752.21
Other fragmentary sales		10,409,576.82	8,628,662.43
Total		1,625,036,012.74	1,337,046,887.29

Related transaction of sales of goods and provision of services:

Note 1: On January 1, 2018, the Company and Yibin Wuliangye Group I&E Co., Ltd. entered into the Export Commodities Purchase and Sales Agreement. The price of the agreement products supplied by the Company to I&E Company is floating. The supply price (tax exclusive) is 70%-73% of the average selling price per bottle of I&E Company in the previous month. According to the Agreement, I&E Company shall give the Company prior written notice of specific requirements for specification, model, packaging, anti-counterfeit label, quantity, and delivery term of the Wuliangye series products according to the demands of the international market, and prepay 60% of the purchase price to the Company. The Company shall organize the production and supply Wuliangye series liquor products in a timely manner according to the export demands of I&E Company. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. entered into the Base Liquor Purchase and Sales Agreement, according to which the latter shall give the Company prior written notice of the specific requirements for the quantity and date of delivery of the base liquor according to the market demands. The Company shall supply the agreement products according to the needs for production and operation of the Ecological Brewery Company. The price for supply of the agreement products shall strictly comply with the market price and paid before delivery. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 3: The Company and Chengdu PUTH Medical Plastics Packaging Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company based on its needs for production and operation. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Building Materials Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for

settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 5: On January 1, 2018, the Company and Yibin Jinlong Trade Development Corporation entered into the Commodity Purchase and Sales Agreement, according to which the latter shall communicate with the Company about consumption of the agreement products in a timely manner, and the Company shall ensure timely supply of the agreement products to satisfy the needs of Jinlong Trade Company. Price for supply of the agreement products shall be based on the market price. The Company shall give a one-week written notice of price adjustment in case of adjustment of the price of the agreement product; Payment for supply of the agreement product which is actually occurred shall be settled regularly. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 6: On January 1, 2018, the Company and Sichuan Yibin Push Drive Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 7: On January 23, 2018, the Company and Sichuan Sacred Mountain Hechang Clothing Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 8: The Company and Chengdu Huayu Glass Manufacturing Co., Ltd. entered into the Cooperation Agreement, according to which the latter shall procure cartons, paper products, and glass bottles from the Company and the Company shall make the procurement plan according to the specification and quantity of the ordered products. The Company shall make calculation and quotation to Huayu Company based on the planned type and carry out production and supply according to the plan after the price is determined. The quantity shall be that of the products which are actually used and warehoused after the arrival and acceptance. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 9: On January 22, 2018, the Company and Sichuan Putian Packaging Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products and other materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

## (2) Related-party lease

The Company as the lessor:

Unit: RMB Yuan

Name of lessee	Type of leased assets	Lease revenue recognized in current period	Lease revenue recognized in previous period
Sichuan Anji Logistic Group Co., Ltd.	Buildings	838,157.18	169,268.48
Sichuan Yibin Push Building Materials Co., Ltd.	Warehouse	663,267.96	663,267.96
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Equipment	501,015.52	814,150.22
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Buildings	384,171.44	375,599.99
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Buildings	226,285.72	226,285.72
Sichuan Putian Packaging Co., Ltd.	Houses and warehouses	125,044.55	303,326.53
Chengdu Huayu Glass Manufacturing Co., Ltd.	Buildings		5,528.57

Sichuan Yibin Push Intelligent Technology Co., Ltd.	Buildings	57,142.84	57,142.86
Sichuan Putian Packaging Co., Ltd.	Equipment		52,907.76
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Buildings		28,436.65

The Company as the lessee:

Unit: RMB Yuan

Name of lessor	Type of leased assets	Rents recognized in current period	Rents recognized in previous period
Sichuan Yibin Wuliangye Group Co., Ltd.	Land (Note 1)	296,558,180.00	296,558,180.00
Sichuan Anji Logistic Group Co., Ltd.	Warehouse	44,837,768.19	39,453,231.04
Sichuan Yibin Wuliangye Group Co., Ltd.	Operation and management areas (Note 2)	29,605,028.57	29,822,513.62
Sichuan Yibin Licai Group Co., Ltd.	Buildings (Note 3)	15,512,748.60	15,512,748.60
Sichuan Yibin Push Group Co., Ltd.	Operation and management areas (Note 4)	6,715,238.10	6,715,238.10
Yibin Push Assets Management Co., Ltd.	Warehouse	5,606,413.94	2,941,500.95
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Warehouse	4,440,887.72	3,349,628.67
Chengdu Huayu Glass Manufacturing Co., Ltd.	Equipment	4,225,181.48	4,289,229.22
Sichuan Yibin Global Group Co., Ltd.	Warehouse	2,989,811.34	2,989,811.34
Sichuan Yibin Push Group Co., Ltd.	Warehouse	2,486,852.84	1,865,139.63
Sichuan Andaxin Logistic Co., Ltd.	Warehouse	2,530,894.04	2,867,086.53
Yibin Push Linko Technology Co., Ltd.	Warehouses and houses	2,325,929.91	2,345,358.51
Yibin Push Linko Technology Co., Ltd.	Equipment	1,459,428.57	768,000.00
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Warehouse	1,228,525.72	1,228,525.72
Sichuan Yibin Push Auto Parts Co., Ltd.	Equipment	130,810.30	
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Equipment	43,068.00	1,534,759.71
Sichuan Ansage Supply Chain Management Co., Ltd.	Warehouse	28,301.88	44,719.64
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Warehouse		111,566.01
Sichuan Yibin Weilisi Float Glass Manufacturing Co., Ltd.	Equipment		14,455.75

Note on related-party lease:

Note 1: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into three Land Lease Agreements, according to which Wuliangye Group leases three plots of land owned by it to the Company. The leased areas are 2,315,349.08, 724,958.17 and 666,670.00 square meters, with the annual rents of RMB 185.2279 million, RMB 57.9967 million and RMB 53.3336 million, respectively, totaling RMB 296.5582 million. The lease term is from January 1, 2018 to December 31, 2020.

Land price criterion:

The land lease pricing policy of the Company and Sichuan Yibin Wuliangye Group Co., Ltd. is formulated with reference to the land lease criterion of previous years and in accordance with the Reply of Yibin Land Resource Administration Bureau on the Request of Wuliangye Group for Adjustment of the Land Lease Criterion (YGTH (2010) No. 53, March 12, 2010), which stating that "the rent of RMB 50-110 per square meter per year for the industrial land in this area is consistent with prevailing land price of Yibin". The Company and Wuliangye Group determine the rent of leased land as RMB 80 per square

meter per year through mutual agreement.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Operation and Management Areas Lease Agreement, according to which Wuliangye Group leases part of the operation and management areas (including the office building, multi-function pavilion, etc.) owned by it to the Company. The leased area is 27,121.32 square meters, with the annual rent of RMB 29.256 million. The lease term is from January 1, 2018 to December 31, 2020.

Note 3: On December 29, 2017, the Company and Sichuan Yibin Licai Group Co., Ltd. entered into the Factory Building Lease Contract, according to which Licai Group leases the high-end product workshop building (1F-5F) at its headquarter to the Company. The leased area is 20,557.30 square meters, with the annual rent (tax inclusive) of RMB 16,288,386.00. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Group Co., Ltd. entered into the Operation and Management Areas Lease Agreement, according to which Push Group leases its office building located at No. 150, West Minjiang Road, Yibin and all office equipment in the office building to the Company. The leased area is 6,536.70 square meters, with the annual rent of RMB 7.051 million. The lease term is from January 1, 2018 to December 31, 2020.

### (3) Guarantee with related parties

The Company had no guarantee with related parties during the reporting period.

### (4) Loans and borrowings with related parties

The Company had no loans and borrowings with related parties during the reporting period.

### (5) Assets transfer and debt restructuring with related parties

There is no assets transfer and debt restructuring with related parties during the reporting period.

### (6) Key management personnel remuneration

Unit: RMB '0,000

Item	Amount in current period	Amount in previous period
Key management personnel remuneration	1,129.65	744.12

### (7) Other related transactions

#### ① Procurement of equipment, etc.

Related parties	Content of related transaction	Amount in current period	Amount in previous period
Sichuan Yibin Wuliangye Group Co., Ltd.	Trademark and logo royalties (Note 1)	637,338,648.84	577,396,281.55
Sichuan Yibin Wuliangye Group Co., Ltd.	Comprehensive service fee (Note 2)	91,977,989.83	67,434,207.22
Yibin Jichi Automobile Sales Service Co., Ltd.	Purchase of transportation equipment	33,458,753.81	
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Procurement of equipment	21,837,927.09	15,872,532.05
Push Information & Automation (Chengdu) Co., Ltd.	Procurement of equipment	7,404,778.67	474,641.40
Yibin Jitai Automobile Sales & Service Co., Ltd.	Purchase of transportation equipment	2,629,421.85	
Sichuan Zhongke Better Technology Co., Ltd.	Procurement of equipment	30,255.00	
Sichuan Baiweiyuan Food Co., Ltd.	Purchase of transportation equipment	12,319.16	
Sichuan Yibin Wuliangye Group Pengcheng Electronics Instrument Co., Ltd.	Procurement of equipment	5,970.00	
Yibin Global Energy Conservation Service Co., Ltd.	No.4 Glass Kiln Gas Treatment Project		3,873,909.03
Yibin Push Linko Technology Co., Ltd.	Purchase of equipment		764,000.00
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Procurement of equipment		599,660.55
Yibin Ansage Auto Service Co., Ltd.	Purchase of transportation equipment		154,708.16

Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Procurement of equipment		70,580.50
Yibin Push Assets Management Co., Ltd.	Procurement of equipment		255,770.63
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Selling of equipment		2,767.20

Note 1: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Trademark and Logo Licensing Agreement, which specifies that: Wuliangye Group licenses to the Company the nonexclusive right of use of 1 factory emblem, the nonexclusive right of use of 8 trademarks, exclusive right of use of 130 trademarks, and unpaid exclusive right of use of 4 trademarks. The royalty shall be paid by the following means: ① The royalty of “factory emblem” shall be paid at 1.27% of the annual sales revenue from all liquor products using the “factory emblem”; ② No royalty shall be paid for trademark of liquor products of which the annual sales revenue is less than 50 tons, and royalty of trademark of liquor products sold by 50 tons (inclusive) or more shall be calculated by the total sales volume. Royalties of trademark shall be paid by the following means: Trademark royalty of products with selling price at RMB 30,000 per ton and above shall be RMB 1,500 per ton; and that of products with selling price at RMB 12,000 per ton and above but below RMB 30,000 per ton shall be RMB 1,400 per ton; that of products with selling price below RMB 12,000 shall be RMB 1,300 per ton. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Comprehensive Service Agreement, according to which the latter shall provide the agreed service to the Company by the quantity agreed by both parties from time to time. Both parties measure the services at the actual cost, and the rate of increase of the unit cost price compared with the previous year shall be no more than the inflation index of previous year plus 5% or the growth factor of consumer price index of Sichuan Province, whichever is lower. The increase shall not be subject to the above limit when the service scope is expanded, and the service shall still be measured at the actual cost of provision of the service. The Agreement is valid from January 1, 2018 to December 31, 2020.

② Association relationship with Sichuan Yibin Wuliangye Group Finance Co., Ltd.

The Company signed the Financial Service Agreement and the Supplemental Agreement to the Financial Service Agreement with the Finance Company on April 12, 2018 and April 20, 2020, respectively. The main contents are loan and deposit services. Daily balance of deposits of the Company with the Finance Company in 2020 was no more than RMB 32.9 billion, and the daily balance of loan in 2020 was no more than RMB 5 billion.

The total deposits of the Company with the Finance Company was RMB 28,600,538,878.29 at the end of the period; Sichuan Yibin Wuliangye Group Co., Ltd. issued the Commitment Letter to the Company, assuring that relevant deposits and loans of the Company with the Finance Company are safe; the current interest revenue is RMB 787,783,429.35 in total; the Company discounted bank acceptance bills of RMB 2,797,130,622.00 to the Finance Company and paid discount interest of RMB 37,427,621.94 during the period.

## 6. Receivables from and payables to related parties

### (1) Receivables

Unit: RMB Yuan

Project name	Related parties	Ending balance		Beginning balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Sichuan Putian Packaging Co., Ltd.	7,403,902.45		31,324,539.34	
Accounts receivable	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	1,192,800.00		507,527.52	
Accounts receivable	Sichuan Nongwu E-commerce Co., Ltd.	683,951.30			
Accounts receivable	Yibin Paper Industry Co., Ltd.	396,398.81			
Accounts receivable	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	319,302.00		319,302.00	
Accounts	Chengdu Huayu Glass Manufacturing Co.,	249,223.49		3,779,810.70	



receivable	Ltd.				
Accounts receivable	Sichuan Yibin Push Group Co., Ltd.	244,352.00			
Accounts receivable	Yibin Chuanhong Tea Group Co., Ltd.	177,812.00			
Accounts receivable	Sichuan Andaxin Logistic Co., Ltd.	74,136.00			
Accounts receivable	Sichuan Yibin Push Auto Parts Co., Ltd.	56,300.73			
Accounts receivable	Sichuan Yibin Push Intelligent Technology Co., Ltd.	18,069.72			
Accounts receivable	Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.			9,512,479.81	
Accounts receivable	Chengdu PUTH Medical Plastics Packaging Co., Ltd.			8,420,650.88	
Accounts receivable	Push Information & Automation (Chengdu) Co., Ltd.			709,868.22	
Prepayment	Yibin Push Linko Technology Co., Ltd.	19,944,767.12			
Prepayment	Wuming Tea Industry Holding Co., Ltd.	6,160,000.00			
Prepayment	Sichuan Sacred Mountain Molin Group Co., Ltd.	4,006,415.93		8,283,185.84	
Prepayment	Chengdu PUTH Medical Plastics Packaging Co., Ltd.	1,327,100.00			
Prepayment	Sichuan Anji Logistic Group Co., Ltd.	827,429.00		997,853.00	
Prepayment	Yibin Ansage Auto Service Co., Ltd.	273,193.61		9,300.18	
Prepayment	Yibin Ansage Auto Service Co., Ltd. Chhengdu Branch	200,000.00			
Prepayment	Push Information & Automation (Chengdu) Co., Ltd.	12,810.00			
Prepayment	Sichuan Yibin Push Drive Co., Ltd.			1,884,151.79	
Prepayment	Sichuan Yibin Push Intelligent Technology Co., Ltd.			314,700.00	
Cash and cash equivalents	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	476,552,144.13		531,981,058.33	
Other receivables	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	460,000.00		480,000.00	
Other receivables	Sichuan Putian Packaging Co., Ltd.	288,252.45		250,000.00	
Other receivables	Chengdu Huayu Glass Manufacturing Co., Ltd.	200,000.00		200,000.00	
Other receivables	Yibin Wuliangye Ecological Brewing Co., Ltd.	122,727.27		122,727.27	
Other receivables	Sichuan Anji Logistic Group Co., Ltd.	100,000.00		450,000.00	
Other receivables	Sichuan Linhu Tea Co., Ltd.	80,000.00		50,000.00	
Other receivables	Sichuan Shuzhan New Materials Co., Ltd.	32,000.00		70,000.00	
Other receivables	Sichuan Ansage Supply Chain Management Co., Ltd.	10,000.00			
Other receivables	Sichuan Yibin Push Drive Co., Ltd.			7,016.11	

Remarks: The amount related to Sichuan Yibin Wuliangye Group Finance Co., Ltd. in this table represents the

interest on time deposits accrued on an accrual basis, and the ending balance is presented in the cash and cash equivalents account.

## (2) Payables

Unit: RMB Yuan

Project name	Related parties	Ending book balance	Beginning book balance
Accounts payable	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	3,171,085.68	30,066.98
Accounts payable	Sichuan Yibin Wuliangye Group Co., Ltd.		7,634,607.30
Accounts payable	Sichuan Yibin Push Drive Co., Ltd.	1,253,105.19	
Accounts payable	Chengdu Huayu Glass Manufacturing Co., Ltd.	778,630.05	
Accounts payable	Yibin Global Energy Conservation Service Co., Ltd.	649,772.10	
Accounts payable	Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	354,013.71	414,303.16
Accounts payable	Sichuan Yibin Push Intelligent Technology Co., Ltd.	243,745.46	235,712.98
Accounts payable	Chengdu Ningjiang Machine Tool Sales Co., Ltd.	180,000.00	180,000.00
Accounts payable	Sichuan Ansage Supply Chain Management Co., Ltd.	116,615.11	334,704.03
Accounts payable	Sichuan Shuzhan New Materials Co., Ltd.	110,000.00	
Accounts payable	Sichuan Putian Packaging Co., Ltd.	37,096.80	111,293.30
Accounts payable	Sichuan Yibin Push Group Co., Ltd.		14,475,469.14
Accounts payable	Chengdu PUTH Medical Plastics Packaging Co., Ltd.		1,170,859.61
Accounts payable	Sichuan Anji Logistic Group Co., Ltd.		292,692.00
Accounts payable	Sichuan Andaxin Logistic Co., Ltd.		182,250.00
Accounts payable	Push Information & Automation (Chengdu) Co., Ltd.		55,058.40
Accounts received in advance	Sichuan Yibin Push Building Materials Co., Ltd.		4,942,728.12
Accounts received in advance	Yibin Wuliangye Ecological Brewing Co., Ltd.		736,363.64
Accounts received in advance	Yibin Development Holding Group Co., Ltd.		439,000.00
Accounts received in advance	Sichuan Linhu Tea Co., Ltd.		375,600.00
Accounts received in advance	Wuming Tea Industry Holding Co., Ltd.		267,600.00
Accounts received in advance	Yibin Anji Logistic Group Shenzhou Transportation Co., Ltd.		208,248.14
Accounts	Sichuan Yibin Push Group Co., Ltd.		96,012.00

received in advance			
Accounts received in advance	Yibin Wuliangye Group I&E Co., Ltd.		83,711.24
Accounts received in advance	Sichuan Putian Packaging Co., Ltd.		82,640.00
Accounts received in advance	Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.		66,440.00
Accounts received in advance	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.		6,000.00
Contract liability	Sichuan Nongwu E-commerce Co., Ltd.	26,075,394.69	
Contract liability	Sichuan Push Acetati Company Limited	17,650,236.39	
Contract liability	Sinopharm Group Yibin Medicine Co., Ltd.	9,255,292.04	
Contract liability	Sichuan Yibin Push Group Co., Ltd.	7,484,749.18	
Contract liability	Sichuan Shuzhan New Materials Co., Ltd.	1,427,964.60	
Contract liability	Sichuan Tyre Rubber (Group) Co., Ltd.	958,672.57	
Contract liability	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	788,720.35	
Contract liability	Yibin Wuliangye Ecological Brewing Co., Ltd.	675,562.97	
Contract liability	Sichuan Sacred Mountain Molin Group Co., Ltd.	663,844.25	
Contract liability	Yibin Development Holding Group Co., Ltd.	388,495.58	
Contract liability	Sichuan Putian Packaging Co., Ltd.	271,880.99	
Contract liability	Push Information & Automation (Chengdu) Co., Ltd.	227,101.77	
Contract liability	Yibin Anji Logistic Group Shenzhou Transportation Co., Ltd.	184,290.39	
Contract liability	Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	58,796.46	
Contract liability	Yibin Wuliangye Group I&E Co., Ltd.	34,487.42	
Contract liability	Sichuan Anji Logistic Group Co., Ltd.	25,909.85	
Notes payable	Yibin Jiamei Intelligent Packaging Co., Ltd.	7,500,000.00	
Notes payable	Sichuan Yibin Licai Group Co., Ltd.	3,900,000.00	
Notes payable	Wuming Tea Industry Holding Co., Ltd.	909,196.00	320,000.00
Notes payable	Sichuan Anji Logistic Group Co., Ltd.	447,351.78	
Notes payable	Sichuan Ansage Supply Chain Management Co., Ltd.		280,000.00
Dividend payable	Sichuan Yibin Wuliangye Group Co., Ltd.	37,918,093.23	
Other	Sichuan Yibin Wuliangye Group Co., Ltd.		136,248,128.58



payables			
Other payables	Sichuan Yibin Push Intelligent Technology Co., Ltd.	2,638,791.93	2,920,492.15
Other payables	Sichuan Putian Packaging Co., Ltd.	1,956,478.00	1,976,478.00
Other payables	Push Information & Automation (Chengdu) Co., Ltd.	1,115,990.00	
Other payables	Sichuan Anji Logistic Group Co., Ltd.	430,000.00	673,087.45
Other payables	Yibin Push Assets Management Co., Ltd.	353,516.00	
Other payables	Yibin Push Linko Technology Co., Ltd.	342,271.35	528,426.44
Other payables	Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	137,790.43	137,790.43
Other payables	Sinopharm Group Yibin Medicine Co., Ltd.	102,200.00	
Other payables	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	70,000.00	70,000.00
Other payables	Sichuan Yibin Push Building Materials Co., Ltd.	50,000.00	55,000.00
Other payables	Yibin Development Holding Group Co., Ltd.	50,000.00	50,000.00
Other payables	Sichuan Linhu Tea Co., Ltd.	50,000.00	50,000.00
Other payables	Yibin Jiamei Intelligent Packaging Co., Ltd.	50,000.00	
Other payables	Yibin Ansage International Logistic Co., Ltd.	681,184.30	36,586.85
Other payables	Sichuan Sacred Mountain Molin Group Co., Ltd.	9,156.80	16,610.00
Other payables	Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	5,040.84	110,569.94
Other payables	Yibin Shengdi Trade Co. Ltd.	5,000.00	5,000.00
Other payables	Sichuan Yibin Push Group Co., Ltd.	4,794.00	
Other payables	Sichuan Shuzhan New Materials Co., Ltd.	3,000.00	3,000.00
Other payables	Sichuan Ansage Supply Chain Management Co., Ltd.	2,036.28	2,036.28
Other payables	Chengdu PUTH Medical Plastics Packaging Co., Ltd.		357,761.64
Other payables	Yibin Ansage Auto Service Co., Ltd.		25,000.00
Other payables	Chengdu Sacred Mountain Clothing Company		13,421.80
Other payables	Chengdu Ningjiang Machine Tool Sales Co., Ltd.		10,000.00

## XII. Commitments and contingencies

### 1. Significant commitments

The Company had no significant commitments which need to be disclosed during the reporting period.

## 2. Contingencies

The Company had no significant contingencies which need to be disclosed during the reporting period.

## XIII. Post-balance sheet events

### 1. Important non-adjustment matters

The Company had no important non-adjustment matters which need to be disclosed.

### 2. Profit distribution

As resolved by the 87th meeting of the 5th board of directors of the Company held on April 25, 2021, the profit distribution plan of 2020 is: RMB 25.8 (tax inclusive) in cash will be distributed for every 10 shares, and no capital reserve will be transferred to capital stock. This plan shall be subject to the approval of the general meeting.

### 3. Note on other post-balance sheet events

The Company has no other post-balance sheet events which need to be disclosed.

## XIV. Other significant matters

### 1. Pension plan

The Company obtained the reply of the State-owned Assets Supervision and Administration Commission of Yibin Municipal Government on the Plan of Establishing the Corporate Pension Plan of the Company (YGZW [2018] No.221) on September 14, 2018, and had filed with the Department of Human Resources and Social Security of Sichuan Province on October 30, 2018.

Participants of the corporate pension plan of the Company include: (1) Employees who have entered into labor contracts with the Company; (2) Employees who participate in the basic old-age insurance system for enterprise employees according to the law and perform the obligation of payment; and (3) Employees who are on duty and registered (excluding the probation period) will participate the corporate pension plan on a voluntary basis.

Expenses for the corporate pension shall be shared by the Company and the employees. Contribution by an employee shall be 3% of the contribution base of such employee, and the monthly contribution base of the employee shall be the average wage in the previous year. Total amount of contribution by the Company shall be 5% of the total annual wage paid by the Company, which shall be distributed to individual accounts of the employees at 3% of the contribution base of the employees, while the remaining 2% shall be distributed to the corporate account as incentives for rewarding personnel who make significant contributions to the Company and for redistribution to employees of the Company.

### 2. Segment information

The Company has no other businesses than liquor products which have significant impact on the business performance. The Company has no segment information that needs to be disclosed since revenue of the Company is mainly generated within China and the assets are also located within China.

## XV. Notes to important items of parent company's financial statements

### 1. Other receivables

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Interest receivable		570,078,014.35
Dividends receivable	734,729,782.94	654,791,389.27
Other receivables	6,331,395,342.48	8,901,837,449.41
Total	7,066,125,125.42	10,126,706,853.03

#### (1) Interest receivable

##### 1) Classification of interest receivable

Unit: RMB Yuan

Item	Ending balance	Beginning balance
Interest of fixed term deposit		570,078,014.35
<b>Total</b>		<b>570,078,014.35</b>

**(2) Dividends receivable****1) Classification of dividends receivable**

Unit: RMB Yuan

Item (or invested company)	Ending balance	Beginning balance
Dividends receivable from subsidiaries	734,729,782.94	654,791,389.27
<b>Total</b>	<b>734,729,782.94</b>	<b>654,791,389.27</b>

**2) Provision for bad debt**
 Applicable  Not applicable
**(3) Other receivables****1) Other receivables classified by nature**

Unit: RMB Yuan

Nature of receivable	Ending book balance	Beginning book balance
Current account	6,327,394,369.95	8,892,421,547.89
Deposit	5,000,000.00	10,000,000.00
Reserve fund	4,862.65	76,201.29
<b>Total</b>	<b>6,332,399,232.60</b>	<b>8,902,497,749.18</b>

**2) Provision for bad debt**

Unit: RMB Yuan

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the coming 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on January 1, 2020	660,299.77			660,299.77
Balance on January 1, 2020 in current period	—	—	—	—
Provisions in current period	343,590.35			343,590.35
Balance on December 31, 2020	1,003,890.12			1,003,890.12

Large book balance change in the current period of provision for loss

 Applicable  Not applicable

Disclosure by aging

Unit: RMB Yuan

Aging	Book balance
Within 1 year (inclusive)	4,443,114,353.83
1 to 2 years	102,827,810.23
2 to 3 years	126,542,645.67
More than 3 years	1,659,914,422.87
3 to 4 years	104,064,080.50

4 to 5 years	97,947,190.67
More than 5 years	1,457,903,151.70
Total	6,332,399,232.60

**3) Provision, recovery or reversal of bad debt provision in current period**

Bad debt provision in current period:

Unit: RMB Yuan

Category	Beginning balance	Amount of change in current year				Ending balance
		Provisions	Recovery or reversal	Write-off	Others	
Other receivables with bad debt provision by single item						
Other receivables with bad debt provision by credit risk combination	660,299.77	343,590.35				1,003,890.12
Total	660,299.77	343,590.35				1,003,890.12

**4) Other receivables actually written off in current period**

The parent company had no other receivables actually written off in current period.

**5) Other receivables with top 5 ending balances by debtor**

Unit: RMB Yuan

Unit name	Nature of receivables	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending balance of bad debt provision
Sichuan Yibin Wuliangye Winery Co., Ltd.	Current account	4,292,273,603.88	Within 1 year	67.78%	
Yibin Jiangjiu Liquor Co., Ltd.	Current account	1,690,768,940.40	1-5 years; More than 5 years	26.70%	
Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.	Current account	202,145,547.62	3-4 years; More than 5 years	3.19%	
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Current account	129,206,278.05	More than 5 years	2.04%	
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Current account	13,000,000.00	1-5 years; More than 5 years	0.21%	
Total	--	6,327,394,369.95	--	99.92%	

**2. Long-term equity investment**

Unit: RMB Yuan

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	11,476,902,138.11		11,476,902,138.11	9,597,846,998.20		9,597,846,998.20
Investment in associates and joint-ventures	1,838,516,357.72		1,838,516,357.72	1,011,936,626.41		1,011,936,626.41
Total	13,315,418,495.83		13,315,418,495.83	10,609,783,624.61		10,609,783,624.61

**(1) Investment in subsidiaries**

Unit: RMB Yuan

Invested company	Beginning balance (book value)	Increase/decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
		Additional investment	Reduced investment	Accrual of impairment provision	Others		
Sichuan Yibin Wuliangye Winery Co., Ltd.	3,375,729,567.45	1,694,055,139.91				5,069,784,707.36	
Yibin Wuliangye Liquor Sales Co., Ltd.	190,000,000.00					190,000,000.00	
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	765,756,006.41					765,756,006.41	
Yibin Jiangjiu Liquor Co., Ltd.	50,000,000.00					50,000,000.00	
Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.	18,870,000.00					18,870,000.00	
Yibin Changjiangyuan Liquor Co., Ltd.	20,000,000.00					20,000,000.00	
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	2,700,000.00					2,700,000.00	
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	49,374,409.93					49,374,409.93	
Sichuan Yibin Plastic Packaging Materials Company Limited	3,443,149,609.25					3,443,149,609.25	
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	108,922,175.18					108,922,175.18	
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	307,282,551.14					307,282,551.14	
Sichuan Yibin Push Group 3D Co., Ltd.	240,419,229.32					240,419,229.32	
Sichuan Yibin Wuliangye Investment (Consulting) Co.,Ltd.	47,500,000.00					47,500,000.00	
Yibin Zhenwushan Liquor Co., Ltd.	20,000,000.00					20,000,000.00	
Yibin Shiji Liquor Co., Ltd.	20,000,000.00					20,000,000.00	
Yibin Cuipingshan Liquor Co., Ltd.	20,000,000.00					20,000,000.00	
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	323,000,000.00					323,000,000.00	
Handan Yongbufenli Liquor Co., Ltd.	255,000,000.00					255,000,000.00	
Huaibin Wubin Consultation Service Co., Ltd.	199,675,708.13					199,675,708.13	
Wuguchun Jiu Ye Co., Henan. China	55,467,741.39					55,467,741.39	
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	40,000,000.00					40,000,000.00	
Yibin Wuliangye Creart Co., Ltd.	45,000,000.00					45,000,000.00	

Wuliang NongXiang Series Baijiu Yibin Co., Ltd.		95,000,000.00				95,000,000.00	
Sichuan Wuliangye New Retail Management Co., Ltd.		90,000,000.00				90,000,000.00	
<b>Total</b>	<b>9,597,846,998.20</b>	<b>1,879,055,139.91</b>				<b>11,476,902,138.11</b>	

**(2) Investment in associates and joint-ventures**

Unit: RMB Yuan

Investor	Beginning balance (Book value)	Increase/decrease in the current period								Ending balance (Book value)	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit and loss on investments recognized with equity method	Adjustment of other comprehensive income	Changes in other equities	Declaration of cash dividends or profits	Accrual of impairment provision	Others		
I. joint ventures											
II. Associates											
Oriental Outlook Media Co., Ltd.	17,078,139.66			4,043,275.64						21,121,415.30	
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	994,858,486.75	734,693,877.55		87,842,578.12						1,817,394,942.42	
<b>Sub-total</b>	<b>1,011,936,626.41</b>	<b>734,693,877.55</b>		<b>91,885,853.76</b>						<b>1,838,516,357.72</b>	
<b>Total</b>	<b>1,011,936,626.41</b>	<b>734,693,877.55</b>		<b>91,885,853.76</b>						<b>1,838,516,357.72</b>	

**3. Operating revenue and operating cost**

Unit: RMB Yuan

Item	Amount in current period		Amount in previous period	
	Revenue	Cost	Revenue	Cost
Other businesses	40,800.00		557,807.81	
<b>Total</b>	<b>40,800.00</b>		<b>557,807.81</b>	

**4. Investment income**

Unit: RMB Yuan

Item	Amount in current period	Amount in previous period
Long-term equity investment income accounted by cost method	15,244,089,045.16	11,886,940,965.04
Long-term equity investment income accounted by equity method	91,885,853.76	92,458,647.87
Total	15,335,974,898.92	11,979,399,612.91

## XVI. Supplementary information

### 1. Statement of current non-recurring profit and loss

√ Applicable   □ Not applicable

Unit: RMB Yuan

Item	Amount	Note
Gain or loss on disposal of non-current assets	-5,064,647.92	
Governmental subsidy recorded in current profit/loss (except those government subsidies, which are closely related to the business of a company and enjoyed in accordance with a certain standard quota or quantity of the state)	100,407,690.85	
Fund occupation fee collected from non-financial enterprises and recorded in current profit/loss	2,602,571.31	
Other non-operating revenue and expenditure except for the aforementioned items	-141,782,777.02	
Less: Impact on income tax	-15,373,976.81	
Impact on minority equity	11,671,148.66	
<b>Total</b>	<b>-40,134,334.63</b>	<b>--</b>

Concerning the non-recurring profit/loss defined by Q&A Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit/Loss, and the items defined as recurring profit/loss according to the lists of non-recurring profit/loss in Q&A Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profit/Loss, explain reasons.

□ Applicable   √ Not applicable

### 2. Net return on equity and earnings per share

Profit of the reporting period	Weighted average return on equity	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	24.94%	5.141	5.141
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	24.99%	5.151	5.151

### 3. Differences in accounting data under domestic and foreign accounting standards

#### (1) Difference of the net profit and net assets disclosed in the financial report, under both International Accounting Standards and Chinese Accounting Standards

□ Applicable   √ Not applicable

#### (2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting standards and Chinese Accounting Standards

□ Applicable   √ Not applicable

#### (3) Reasons for differences in accounting data under the Foreign Accounting Standards and Chinese Accounting Standards, and where discrepancy adjustment is made to the data that has been audited by an overseas audit institution, the name of the overseas institution shall be indicated



## Section XIII Reference File Directory

Relevant departments of the Company have prepared the following documents for shareholders' reference:

- I. Financial Statements containing signatures of the legal representative, the person in charge of the accounting work, and the person in charge of the accounting institution with seals.
- II. Original Audit Report stamped by the accounting firm and signed and stamped by the CPAs.
- III. Original copies of the documents and announcement of the Company published on China Securities Journal, Shanghai Securities News, and Securities Times during the reporting period.
- IV. Annual Report of the Company.

**Wuliangye Yibin Co., Ltd.**  
**April 28, 2021**