



**Wuliangye Yibin Co., Ltd.**

**Annual Report 2023**

**Chairman of the Board: Zeng Congqin**

**29 April 2024**

## **Part I Important Notes, Table of Contents and Definitions**

1. The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Wuliangye Yibin Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.

2. Zeng Congqin, the Company’s legal representative, Xie Zhiping, the Company’s Chief Financial Officer, and Liu Hongxu, head of the Company’s accounting department, hereby guarantee that the financial statements carried in this Report are true, accurate and complete.

3. Nine directors were supposed to attend the board meeting for the review of this Report. Eight of them were present at the meeting in person while Mr. Xiao Hao voted by way of telecommunication for he was unable to be present due to work reasons.

4. Any future plans, development strategies and other forward-looking statements mentioned in this Report shall not be considered as promises to investors for the reason of their uncertainty. Investors are kindly advised to invest wisely. The Company has disclosed in this Report the possible risks. And investors are reminded to exercise caution when making investment decisions.

5. The Board of Directors has approved a final cash dividend of RMB46.70 (tax inclusive) per 10 shares to shareholders based on the total 3,881,608,005 shares held by them, with no bonus issue from either profit or capital reserves.

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

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## **Documents Available for Reference**

The following documents are available for shareholders at the relevant department of the Company:

1. The financial statements that have been signed and stamped by the legal representative, the Chief Financial Officer, and the head of the accounting department.
2. The original copy of the Independent Auditor's Report that has been stamped by the CPA firm, as well as signed and stamped by the relevant certified public accountants.
3. The originals of all the Company's documents and announcements that were disclosed on China Securities Journal, Shanghai Securities News and Securities Times during the Reporting Period.
4. The Annual Report of the Company.

## Definitions

Term	refers to	Definitions
The “Company”, “Wuliangye”, “WLY”, or “we”	refers to	Wuliangye Yibin Co., Ltd.
SASAC Yibin	refers to	The State-owned Assets Supervision and Administration Commission of the People’s Government of Yibin City
Yibin Development Group	refers to	Yibin Development Holding Group Co., Ltd.
Wuliangye Group	refers to	Sichuan Yibin Wuliangye Group Co., Ltd.
Wuliang NongXiang	refers to	Sichuan Wuliangye NongXiang Baijiu Co., Ltd.
Push Group	refers to	Sichuan Yibin Push Group Co., Ltd.
Global Group	refers to	Sichuan Yibin Global Group Co., Ltd.
Anji Logistic Group	refers to	Anji Logistic Group Co., Ltd. Sichuan
Wuliangye Group Finance	refers to	Sichuan Yibin Wuliangye Group Finance Co., Ltd.
Creart	refers to	Yibin Wuliangye Creart Co., Ltd.
Wuliangye Cultural Tourism	refers to	Sichuan Wuliangye Cultural Tourism Development Co., Ltd.

## Part II Corporate Information and Key Financial Information

### I Corporate Information

Stock name	Wuliangye	Stock code	000858
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	宜宾五粮液股份有限公司		
Abbr.	五粮液		
Company name in English (if any)	WULIANGYE YIBIN CO.,LTD.		
Abbr. (if any)	WLY		
Legal representative	Zeng Congqin		
Registered address	150 Minjiang West Road, Cuiping District, Yibin City, Sichuan Province, China		
Zip code	644007		
Past changes of registered address	N/A		
Office address	150 Minjiang West Road, Cuiping District, Yibin City, Sichuan Province, China		
Zip code	644007		
Company website	<a href="http://www.wuliangye.com.cn">http://www.wuliangye.com.cn</a>		
Email address	000858-wly@sohu.com		

### II Contact Information

	Board Secretary	Securities Representative
Name	Zhang Xin	Huang Hui
Office address	150 Minjiang West Road, Cuiping District, Yibin City, Sichuan Province, China	150 Minjiang West Road, Cuiping District, Yibin City, Sichuan Province, China
Tel.	(0831) 3567000	(0831) 3567000
Fax	(0831) 3555958	(0831) 3555958
Email address	000858-wly@sohu.com	000858-wly@sohu.com

### III Media for Information Disclosure and Place where this Report Is Lodged

Stock exchange website where this Report is disclosed	The website of the Shenzhen Stock Exchange ( <a href="http://www.szse.cn">www.szse.cn</a> )
Media and website where this Report is disclosed	China Securities Journal, Shanghai Securities News, Securities Times, and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Place where this Report is lodged	The Company's Board Office

### IV Change to Company Registered Information

Unified social credit code	91511500MA62A0WM8P
Changes to the principal activities of the Company since its listing (if any)	No change during the Reporting Period
Every change of controlling shareholder since incorporation (if any)	No change during the Reporting Period

### V Other Information

The independent auditor appointed by the Company:

Name of the independent auditor	Sichuan Huaxin (Group) CPA (LLP)
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Office address	28/F, South Jinmaolidu, 18 Ximianqiao Street, Chengdu City, Sichuan Province, China
Accountants writing signatures	Li Wulin, Ye Juan, and Luo Guiqiu

The independent sponsor appointed by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable  Not applicable

The independent financial advisor appointed by the Company to exercise constant supervision over the Company in the Reporting Period:

Applicable  Not applicable

## VI Key Financial Information

Indicate whether there is any retrospectively restated datum in the table below.

Yes  No

Reason for retrospective restatement:

Change in accounting policy

	2023	2022		2023-on-2022 change (%)	2021	
		Before	Restated		Restated	Before
Operating revenue (RMB)	83,272,067,317.19	73,968,640,704.54	73,968,640,704.54	12.58%	66,209,053,612.11	66,209,053,612.11
Net profit attributable to the listed company's shareholders (RMB)	30,210,585,269.30	26,690,661,397.42	26,689,983,647.20	13.19%	23,377,074,353.40	23,380,590,527.63
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	30,116,468,910.79	26,662,736,708.98	26,662,058,958.76	12.96%	23,327,729,257.82	23,331,245,432.05
Net cash generated from/used in operating activities (RMB)	41,742,479,908.23	24,431,136,261.48	24,431,136,261.48	70.86% (note)	26,774,941,873.05	26,774,941,873.05
Basic earnings per share (RMB/share)	7.783	6.876	6.876	13.19%	6.023	6.023
Diluted earnings per share (RMB/share)	7.783	6.876	6.876	13.19%	6.023	6.023
Weighted average return on equity (%)	25.06%	25.28%	25.28%	Down by 0.22 percent age point	25.30%	25.31%
	31 December 2023	31 December 2022		Change of 31 December 2023 on 31 December 2022 (%)	31 December 2021	
		Before	Restated		Restated	Before
Total assets (RMB)	165,432,981,684.75	152,714,727,880.22	152,811,927,251.18	8.26%	135,620,812,221.13	135,754,813,767.36
Equity attributable to the listed company's shareholders (RMB)	129,558,241,040.51	114,025,058,788.17	114,027,897,212.18	13.62%	99,068,498,346.24	99,072,014,520.47

Note: This is primarily driven by the increased cash generated from operating activities. Firstly, due to consumption recovery in the year, the Company saw a higher percentage of cash settlement with its customers and a higher amount of cash collected on due bank acceptance bills, resulting in a significant increase in cash



proceeds from sale of goods and rendering of services. Secondly, to cope with market changes in the same period of last year, the Company lowered the percentage of cash settlement with its customers, leading to a lower base of cash proceeds from sale of goods and rendering of services.

Reason for change in accounting policy and correction of accounting errors:

On 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises (C.K. [2022] No. 31, hereinafter referred to as “Interpretation No. 16”, of which the “accounting treatment that deferred income tax related to assets and liabilities arising from a single transaction is not exempt in initial recognition” was effective from 1 January 2023.

For a single transaction to which Interpretation No. 16 applies that occurred between the beginning of the earliest period presented in the financial statements to which Interpretation No. 16 was first applied (i.e., 1 January 2022) and 1 January 2023, adjustments shall be made in accordance with Interpretation No. 16. For taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets recognised on 1 January 2022 as a result of a single transaction to which Interpretation No. 16 applies, the cumulative effects shall be adjusted to retained earnings and other relevant financial statement items on 1 January 2022 in accordance with Interpretation No. 16 and Accounting Standard No. 18 for Business Enterprises—Income Tax.

Indicate whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative for the last three accounting years, or the latest independent auditor's report indicated that there was uncertainty about the continuity of the Company's operations.

Yes  No

Indicate whether the lower of the net profit attributable to the listed company's shareholders before and after exceptional gains and losses was negative.

Yes  No

## VII Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

### 1. Net Profit and Equity under CAS and IFRS

Applicable  Not applicable

No difference for the Reporting Period.

### 2. Net Profit and Equity under CAS and Foreign Accounting Standards

Applicable  Not applicable

No difference for the Reporting Period.

## VIII Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	31,138,862,489.34	14,367,522,329.03	17,030,002,820.69	20,735,679,678.13
Net profit attributable to the listed company's shareholders	12,542,086,212.64	4,494,622,578.54	5,796,220,371.11	7,377,656,107.01
Net profit attributable to the listed company's shareholders before exceptional gains and losses	12,455,824,184.77	4,485,445,516.33	5,800,445,897.62	7,374,753,312.07
Net cash generated from/used in operating activities	9,535,617,536.41	1,794,201,349.89	11,058,926,288.67	19,353,734,733.26

Indicate whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes  No

## IX Exceptional Gains and Losses

Applicable  Not applicable

Unit: RMB

Item	2023	2022	2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-50,550,226.30	2,282,237.38	-23,622,995.51	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	236,257,100.25	100,421,839.81	184,126,377.62	
Capital occupation charges on non-financial enterprises that are recognized in profit or loss	300,065.66	442,730.22	2,144,596.61	

Reversed portions of impairment allowances for receivables which are tested individually for impairment	1,388,731.60			
Non-operating income and expense other than the above	-36,541,935.37	-62,917,173.08	-80,306,712.64	
Less: Income tax effects	40,618,434.04	8,377,774.30	21,010,672.65	
Non-controlling interests effects (net of tax)	16,118,943.29	3,927,171.59	11,985,497.85	
Total	94,116,358.51	27,924,688.44	49,345,095.58	--

Particulars about other items that meet the definition of exceptional gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.

## Part III Management Discussion and Analysis

### I Industry Overview for the Reporting Period

During the Reporting Period, China's Baijiu industry continued to grow amid intense competition. The existing Baijiu producers were competing even more fiercely with each other, with increased market share concentration, intensified brand competition, fierce price competition, and bigger business sizes based on regions of production. The structural differentiation trend within the industry became more apparent, continuously concentrating towards strong brands, top producers, and major regions of production. In 2023, China's Baijiu producers above the designated size achieved sales revenue of RMB756.3 billion, up 9.7% year on year; and a profit before tax of RMB232.8 billion, up 7.5% year on year, fully demonstrating the resilience of the Baijiu industry.

### II Principal Operations of the Company during the Reporting Period

#### (I) Overview

The Company is principally engaged in Baijiu production and sales. According to the Guidelines for the Industry Classification of Listed Companies issued by the China Securities Regulatory Commission, the Baijiu industry falls into the category of the "liquor & wine, beverage, and refined tea production industry" (C15). No change occurred to the principal operations of the Company during the Reporting Period. "Wuliangye", the primary product of the Company, is a classic strong-flavor Chinese Baijiu. Additionally, the Company has developed, based on different production techniques and market needs, Wuliang NongXiang Baijiu products such as Wuliang Chun (Spring), Wuliang Chun (Rich Flavor), Wuliang Tetouqu, and Mianrou Jianzhuang with complete categories and unique tastes to meet the diverse needs of different consumers in pursuit of a better life.

#### (II) Brand Operation

##### 1. Wuliangye-branded Baijiu Products

In 2023, the Company continued with scientific placements to meet the consumer needs arising in the new era, continuously enhanced the Wuliangye brand's market presence, and fully committed itself to improving the quality and effectiveness of the marketing efforts of the Wuliangye brand.

**Firstly, the Company continued to boost its efforts in product development, with further strengthened product strength.** In line with the Company's "1+3" product matrix, new products such as Propitious Purple Wuliangye were launched, completing the development and sales of 18 cultural Baijiu products including Wanshou Tan and Panda-shaped liquor; continued to strengthen the market cultivation of Classic Wuliangye, focusing on the Baijiu market above the unit price of RMB2,000, achieving dual drive with the eighth generation Wuliangye and Classic Wuliangye.

**Secondly, the Company kept bolstering brand-building efforts, further elevating the brand's strength.** It successfully hosted the second "Harmony Cultural Festival" and "Rose Wedding Ceremony", continuously boosting brand heat and reputation. It named sponsorships of CCTV's Spring Festival Gala and Mid-Autumn Festival Gala and brought the brand exposure to over 11 billion interactions during the Spring Festival Gala. The "Harmony Gifts" interactive campaign during the Mid-Autumn Festival Gala saw more than 5.8 billion interactive engagements; further deepened cooperation with mainstream media such as People's Daily and Xinhua News Agency, continued appearances at top-tier platforms like the Boao Forum for Asia, APEC, and the first "Golden Panda" awards, effectively enhancing brand influence.

**Thirdly, the Company continued to exert efforts in channel expansion, further solidifying the channel strength.** In terms of traditional channels, the Company added approximately 26,000 new core retail stores throughout the year, with continuous improvement in retail sell-through. Besides, it initiated the "Three Stores, One House" construction, with currently over 1,600 exclusive stores covering more than 300 cities nationwide. Regarding emerging channels, it accelerated the layout on three major e-commerce platforms of Douyin, Kuaishou, and WeChat video accounts, making the online benchmark effect more pronounced.

##### 2. Wuliang NongXiang products

In 2023, Wuliang NongXiang firmly embraced the strategic direction of "innovation with integrity while expanding territories". Centering on consumers, focusing on product sell-through, market segmentation and hierarchy construction, and consumer cultivation as key tasks, it employed flexible and practical empowerment,

ensuring steady progress in all areas of work.

**Firstly, product sell-through saw a significant increase.** A concentrated effort was made to launch a major campaign for product sell-through, with the daily average participants in the “crack a bottle, scan the code, and win a prize” activities increasing by more than 70% year on year. A noticeable increase in strengthening and enhancing distributors was observed, with segmented and hierarchical market creation achieving staged results. The construction of terminals saw improvements in both quantity and quality, with continuous efforts from e-commerce and KAs leading to ongoing improvements in the channel structure.

**Secondly, consumer cultivation progressed steadily.** Consumer cultivation was continuously pursued through appreciation salons, Wuliangye cultural tours, fan meetings, and online platforms such as Xiaohongshu and Douyin, all aimed at fully facilitating sell-through.

**Thirdly, initial success was seen in cultural development.** A proactive approach was adopted in integrating into the "Harmonious Culture" system, making the brand images of Wuliang Chun (Spring) "Best of the Best, Wuliang Chun (Spring)", Wuliang Chun (Rich Flavour) "Rich Flavour of China, Enjoy a Better Life", Wuliang Tequ's craftsmanship culture, and Jianzhuang's "Century-old Jianzhuang, National Brand" more deeply ingrained in people's hearts.

**Finally, a noticeable improvement in market order was achieved.** An enhancement in the brand structure and an optimisation of the regional layout were pursued, along with marketing model reform, brand culture development, and meticulous channel cultivation. These efforts led to products being sold at fair prices, the purification of market order, and a further solidification of the market foundation.

### (III) Major Sales Models of the Company

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

**Direct-to-consumer model:** This includes the group purchase model, where products are sold directly to groups of consumers, the exclusive store model for the retail end and consumer groups, and the online sales model, where products are sold through e-commerce platforms such as Tmall and JD.

### (IV) Distribution Model

Applicable  Not applicable

#### 1. Operating Revenues, Costs of Sales and Gross Profit Margins of Different Sales Models and Product Categories

Unit: RMB

Item	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue	YoY change in cost of sales	YoY change in gross profit margin
By sales model						
Liquor products	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
Of which: Distribution model	45,985,002,791.57	9,790,021,620.52	78.71%	13.56%	12.50%	0.20%
Direct-to-consumer model	30,462,090,454.05	4,034,908,178.67	86.75%	12.53%	13.96%	-0.17%
By product category						
Liquor products	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
Of which: Wuliangye-branded Baijiu products	62,804,076,723.47	8,389,167,091.67	86.64%	13.50%	12.84%	0.08%
Other liquor products	13,643,016,522.15	5,435,762,707.52	60.16%	11.58%	13.05%	-0.51%

#### 2. Number of Distributors

Region	Number of distributors of Wuliangye-branded Baijiu products	YoY change (number)	Reason for change (more than 30%)
East China	747	56	N/A
South China	455	-13	

West China	477	11
North China	354	3
Central China	537	24
Subtotal	2,570	81
Region	Number of distributors of Wuliang NongXiang products	YoY change (number)
China	814	159
Total	3,384	240

Note: There is overlap between distributors of Wuliangye-branded Baijiu products and Wuliang NongXiang products.

### 3. Main Settlement Methods and Dealing Methods of Distributor Customers

A distribution model is mainly used, with a "payment before delivery" settlement method. In the Reporting Period, the total sales revenue from the top five distributors reached RMB11.319 billion, accounting for 13.59% of the total sales revenue.

### 4. Retail Store Sales Accounting for More Than 10% of Total Sales

Applicable  Not applicable

Region	Number of exclusive stores at the beginning of the Reporting Period	Number of exclusive stores at the end of the Reporting Period	Reason for change (more than 30%)
East China	443	475	N/A
South China	292	285	
West China	286	280	
North China	237	244	
Central China	372	378	
Total	1,630	1,662	

### 5. Online Direct-to-consumer Sales

Applicable  Not applicable

Product category	Platform
<b>Wuliangye-branded Baijiu products:</b>	
The 8th-generation Wuliangye	Tmall, JD, and WeChat
<b>Other liquor products:</b>	
Wuliang Chun (Spring), Wuliang Chun (Rich Flavor), Wuliang Tequ, and Jianzhuang	Tmall, JD, and WeChat

Indicate whether any of the major products that accounted for more than 10% of the total operating revenue in the current period saw a 30% or greater change in its selling price compared to the prior reporting period.

Applicable  Not applicable

### (V) Purchase Model and Purchased Items

Unit: RMB

Purchase model	Purchased items	Amount
Market-based purchase	Raw materials and auxiliary materials, etc.	9,692,068,001.76
Market-based purchase	Packaging materials	2,226,043,954.86
Market-based purchase	Energy	578,004,652.53

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

Applicable  Not applicable

Indicate whether the price of any of the major raw materials purchased externally changed by more than 30%

year-on-year.

Applicable  Not applicable

#### (VI) Main Production Models

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

Commissioned processing and production:

Applicable  Not applicable

#### (VII) Production Volume and Inventory

##### 1. Production Volume, Sales Volume and Inventory of Major Products

Product	Opening inventory (ton)		Production volume (ton)		Sales volume (ton)		Closing inventory (ton)	
	2023	YoY change	2023	YoY change	2023	YoY change	2023	YoY change
Wuliangye-branded Baijiu products	2,961	52.79%	40,135	18.77%	38,659	17.98%	4,437	49.85% (note 2)
Other liquor products	20,367	5.95%	143,965	50.69% (note 2)	120,447	27.60%	43,885	115.47% (note 2)
Total	23,328	10.24%	184,100	42.35%	159,106	25.12%	48,322	107.14%

Note 1: The liquor referred to in the table above is all commercial liquor.

Note 2: Mainly because the Company's primary products performed well in terms of sell-through, and the Company actively stocked up for sales in the Spring Festival, leading to increases in the production volume and the closing inventory.

##### 2. Finished Liquor and Semi-finished Liquor (Including Base Liquor)

Category	Inventory (ton)
Finished liquor	48,322
Semi-finished liquor (including base liquor in pottery jars)	160,064

##### 3. Designed, Actual and In-progress Production Capacity of Major Products by Production Entities

Major product	Designed production capacity ('0,000 tons)	Actual production capacity ('0,000 tons)	Production capacity in progress ('0,000 tons)
Liquor	17.5627	11.95928	6

Note: The liquor in the table above includes Baijiu and base fruit liquor.

### III Core Competitiveness Analysis

The Company's unique five major competitive edges of the regions of production, ancient fermentation pit clusters, quality, brands, and consumer base constitute its irreplicable core competitiveness. During the Reporting Period, the Company's core competitiveness continued to strengthen.

**The first is the geographical competitiveness.** The Yibin region of production, where the Company is situated, boasts a uniquely favourable natural ecological brewing environment of "water, soil, air, climate, and biology". It has been recognised by United Nations Educational, Scientific and Cultural Organization (UNESCO) and Food and Agricultural Organization (FAO) as "the most suitable region in the same latitude for producing high-quality, pure distilled Baijiu", making it one of the world's top ten regions of production of spirits. In 2023, it was awarded the title of "China's Wuliang NongXiang Core Region of Production".

**The second competitive edge lies in the ancient fermentation pit clusters.** The ancient fermentation pit clusters of the Yuan and Ming dynasties, represented by Changfasheng and Lichuanyong, are the earliest and largest cave-type ancient fermentation pits in China with uninterrupted production and have been in existence for more than 656 years, which have scarcity value that is unrepeatable and non-reproducible. Four new microbial species named after Wuliangye have been discovered in ancient fermentation pits from the Ming and Qing dynasties, profoundly interpreting the richness, complexity, and uniqueness of the brewing microorganisms of Wuliangye from a scientific perspective.

**Quality represents the third competitive edge.** Wuliangye possesses the unique "1366" traditional production technique that has been identified as a national intangible cultural heritage. It boasts the most in the industry with 12 individuals recognised as Chinese Baijiu Masters, Chinese Brewing Masters, and Chinese Baijiu Technique Masters. A complete quality management model "from seed to liquor" has been established, which has four times been awarded the highest honour in China's quality management field, the "National Quality Award".



**The fourth is the brand strength.** Wuliangye's brand culture has profound historical roots with a history of over a thousand years, beginning in the Tang dynasty, emerging in the Song dynasty, refined in the Yuan dynasty, becoming famous in the Ming dynasty, and establishing the brand name in the Qing dynasty. It possesses a unique culture encapsulated by five-character mottoes, ancient fermentation pit culture, and a rich poetic and Baijiu tradition. The advocacy of a harmonious culture of "harmonious common prosperity" continues to be prominently displayed; the brand value has exceeded RMB400 billion, with the brand strength index receiving the highest global AAA+ rating for two consecutive years, ranking first among Baijiu brands.

**Finally, the consumer base.** Strong-flavored Baijiu is the Baijiu category with the highest market share and the largest consumer base. Being famous worldwide for its unique style of "lasting aroma, mellow, pleasant and smooth taste, and harmonious, well-balanced and comprehensive flavors", Wuliangye has a wide and solid consumer base. Notably, the industry's pioneering low-alcohol Baijiu possesses a unique competitive advantage in cultivating a young consumer demographic.

## IV Analysis of Principal Operations

### 1. Overview

During the Reporting Period, the Company adhered to the overall work principle of "focusing on stability, seeking progress in stability, improving quality and efficiency, as well as making more contributions". It precisely focused its efforts on four aspects: superior products, strong brands, advanced innovation and modern governance, reaching a new level of development. In 2023, the Company achieved operating revenue of RMB83.272 billion, up 12.58% year on year, and a net profit attributable to its shareholders of RMB30.211 billion, up 13.19% year on year.

**Firstly, the support from superior products has been further strengthened.** The support for quality has continuously improved, with the production volume of famous liquors reaching an all-time high; the fast growth programme has been orderly advanced, with the first phase of the 100,000-ton ecological brewing project starting production; two additional Chinese Brewing Masters have been added. The product mix has been continually perfected, with the launch of the Propitious Purple Wuliangye; the development and sales of 18 cultural Baijiu products have been completed; the Classic 50 has won the iF Design Award. Quality management has continuously been enhanced, with the Company being the only one in the industry shortlisted for the Nomination Award of the Fifth China Quality Award; it has won the "National Typical Cases of Quality Reform and Innovation of Chief Quality Officers" and two gold awards at the 48th International Convention on Quality Control Circles (ICQCC); optimisation has yielded the best Qu-preparation Production Technique knowledge map and an expert analysis and judgment system, earning the title of "National Quality Benchmark".

**Secondly, the pulling force of strong brands has been further solidified.** Brand cultural promotion has been continuously strengthened, with deep participation in CCTV's Year of the Rabbit Spring Festival Gala and Mid-Autumn Festival Gala, bringing brand impressions to over 11 billion during the Spring Festival Gala and over 5.8 billion engagements for "Harmony Gifts" during the Mid-Autumn Festival Gala, benefiting millions of households with the joy of "Harmony Gifts". Further deep integration with high-end platforms such as APEC, Boao Forum for Asia, and China International Import Expo (CIIE), along with successful collaboration with the International Finance Forum, World Laureates Forum, Golden Panda Awards, and China International Consumer Products Expo, has crafted a high-profile brand image. Brand cultural expression has been continuously innovated. We successfully held cultural IP events such as the Harmony Cultural Festival, Happy China Festival, and Rose Wedding Ceremony; launched "Wuliangye Harmony Global Tour", leading "Sichuan Liquor Global Tour"; sponsored high-quality programmes like CCTV's "Beauty in Harmony", Hunan TV's "Chinese Restaurant" and "New Year's Eve Gala"; won three national brand communication awards. The foundation of brand culture continued to be solidified. The Company completed the conservation and restoration projects of the "Changfasheng" and "Lichuanrong" ancient fermentation pit sites, launched the "Archaeological Wuliangye" Phase II project, actively pushed for the declaration of Chinese Baijiu traditional workshops as World Cultural Heritage, and was selected as a national excellent industrial heritage protection and utilisation demonstration case.



Besides, it won the first-class award in National Culture Outstanding Achievement, and was selected again for the Hurun Most Successful Chinese Heritage Brands 2023.

**Thirdly, the driving force behind innovative development has been further enhanced.** Platform construction has achieved significant success, with the National Enterprise Technology Centre maintaining the top score in the National Development and Reform Commission's annual assessment within the industry, the National Industrial Design Centre smoothly passing the Ministry of Industry and Information Technology of the People's Republic of China's re-evaluation, and successfully establishing the industry's first Chinese Baijiu Industry Cultural and Technological Innovation Centre. Technical breakthrough efforts have continued to intensify, as the Company attained three provincial and ministerial-level science and technology first-class awards. It also completed the "Analysis of Wuliangye's Baobaoqu Enzyme Spectrum and Enzyme-producing Microflora" and two other achievements, all reaching an "international leading level". The talent team has been continuously strengthened, with the establishment of the National High-Skilled Talent Training Base and the "Cao Hongying" National Skills Master Studio. Specifically, we had three more State Council Special Allowance Experts, 12 more national Baijiu judges, and five more provincial high-end talents (including Skilled Masters in Sichuan Province and talents included in the Tianfu Qingcheng Programme).

**Fourthly, the assurance of modern governance has been further solidified.** The Company is committed to integrating the leadership of the Party into corporate governance, winning the excellent model case for National State-owned Enterprises Party Building Brand Construction and the Best Practice Case 2023 for Board of Directors of Listed Companies. Efforts were made to enhance the Company's ESG management level, which earned the Best Practice Case 2023 for ESG of Listed Companies, and was selected as an excellent model case for carbon-peaking, carbon-neutral and green development by the National Development and Reform Commission in 2023, a model case for serving green development by China International Fair for Trade in Services (CIFTIS), a model case for serving the Belt and Road Initiative by People's Daily, and an excellent model case of UN 2023 SDG Summit.

## 2. Revenue and Cost Analysis

### (1) Breakdown of Operating Revenue

Unit: RMB

	2023		2022		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	83,272,067,317.19	100%	73,968,640,704.54	100%	12.58%
By operating division					
Manufacturing	83,272,067,317.19	100.00%	73,968,640,704.54	100.00%	12.58%
By product category					
Liquor products	76,447,093,245.62	91.80%	67,562,646,631.24	91.34%	13.15%
Plastic products	3,186,751,790.54	3.83%	3,201,867,776.04	4.33%	-0.47%
Printing	148,586,388.77	0.18%	138,273,774.15	0.19%	7.46%
Glass bottles	121,727,109.44	0.15%	119,011,295.97	0.16%	2.28%
Other	3,367,908,782.82	4.04%	2,946,841,227.14	3.98%	14.29%
By operating segment					
Liquor products	76,447,093,245.62	91.80%	67,562,646,631.24	91.34%	13.15%

Of which: East China	22,388,529,236.37	26.89%	18,985,619,872.12	25.67%	17.92%
South China	6,810,441,782.70	8.18%	7,481,640,730.11	10.11%	-8.97%
West China	26,215,491,173.54	31.48%	21,538,460,675.15	29.12%	21.71%
North China	8,074,372,025.55	9.70%	8,414,668,164.38	11.38%	-4.04%
Central China	12,958,259,027.46	15.56%	11,142,257,189.48	15.06%	16.30%
Non-liquor products	6,824,974,071.57	8.20%	6,405,994,073.30	8.66%	6.54%
By sales model					
Liquor products	76,447,093,245.62	91.80%	67,562,646,631.24	91.34%	13.15%
Of which: Distribution model	45,985,002,791.57	55.22%	40,492,386,915.69	54.74%	13.56%
Direct-to-consumer model	30,462,090,454.05	36.58%	27,070,259,715.55	36.60%	12.53%
Non-liquor products	6,824,974,071.57	8.20%	6,405,994,073.30	8.66%	6.54%

**(2) Operating Division, Product Category, Operating Segment or Sales Model Contributing over 10% of Operating Revenue or Operating Profit**

Applicable  Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Manufacturing (liquor production)	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
By product category						
Liquor products	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
Of which: Wuliangye-branded Baijiu products	62,804,076,723.47	8,389,167,091.67	86.64%	13.50%	12.84%	0.08%
Other liquor products	13,643,016,522.15	5,435,762,707.52	60.16%	11.58%	13.05%	-0.51%
By operating segment						
Liquor products	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
Of which: East China	22,388,529,236.37	3,340,594,216.75	85.08%	17.92%	18.86%	-0.12%
South China	6,810,441,782.70	993,558,777.69	85.41%	-8.97%	-11.83%	0.47%
West China	26,215,491,173.54	6,047,557,225.84	76.93%	21.71%	27.82%	-1.10%
North China	8,074,372,025.55	1,147,821,771.10	85.78%	-4.04%	-2.82%	-0.18%
Central China	12,958,259,027.46	2,295,397,807.81	82.29%	16.30%	-4.08%	3.77%
By sales model						
Liquor products	76,447,093,245.62	13,824,929,799.19	81.92%	13.15%	12.92%	0.04%
Of which: Distribution model	45,985,002,791.57	9,790,021,620.52	78.71%	13.56%	12.50%	0.20%
Direct-to-consumer model	30,462,090,454.05	4,034,908,178.67	86.75%	12.53%	13.96%	-0.17%

Data of principal operations for the prior period adjusted according to the changed methods of measurement that occurred in the Reporting Period (if any):

Applicable  Not applicable

### (3) Whether Revenue from Physical Sales Is Higher than Service Revenue

Yes  No

Operating division	Item	Unit	2023	2022	Change (%)
Liquor	Sales volume	Metric ton	159,106	127,161	25.12%
	Production volume	Metric ton	184,100	129,328	42.35% (note)
	Inventory	Metric ton	48,322	23,328	107.14% (note)

Any over 30% YoY movements in the data above and why:

Applicable  Not applicable

Note: Mainly because the Company's primary products performed well in terms of sell-through, and the Company actively stocked up for sales in the Spring Festival, leading to increases in the production volume and the closing inventory.

### (4) Execution Progress of Significant Signed Sales or Purchase Contracts in the Reporting Period

Applicable  Not applicable

### (5) Breakdown of Cost of Sales

Unit: RMB

Operating division	Item	2023		2022		Change in percentage
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Manufacturing	Raw materials	10,808,905,910.26	53.62%	9,599,577,215.97	52.81%	0.81%
	Labor cost	6,073,522,534.43	30.13%	5,705,800,119.67	31.39%	-1.26%
	Energy	1,110,881,004.71	5.51%	934,705,836.04	5.14%	0.37%
	Production cost	2,163,834,502.81	10.73%	1,938,342,487.96	10.66%	0.07%

### (6) Changes in the Scope of Consolidated Financial Statements for the Reporting Period

Yes  No

As per the Three-year Action for the Reform of State-owned Enterprises at Provincial and Municipal Levels (2020~2022), in order to optimize the branch company and subsidiary allocation as a state-owned enterprise, the Company's subsidiary Huaibin Wubin Consultation Service Co., Ltd. has been de-registered in 2023.

As approved at the Eighth Meeting of the Sixth Board of Directors of 2023 dated 28 September 2023, the Company's wholly-owned subsidiary Sichuan Yibin Plastic Packaging Materials Company Limited has incorporated "Sichuan Yibin Jiang'an Plastic New Materials Co., Ltd." (hereinafter referred to as "Jiang'an Plastic"). Jiang'an Plastic has a registered capital of RMB50 million, and the Company owns 100% of Jiang'an Plastic.

### (7) Significant Changes to the Business Scope or Product or Service Range in the Reporting Period

Applicable  Not applicable

### (8) Major Customers and Suppliers

Major customers:

Total sales to top five customers (RMB)	11,318,834,108.05
Total sales to top five customers as % of total sales in the Reporting Period (%)	13.59%
Total sales to related parties among top five customers as % of	0.00%

total sales in the Reporting Period (%)	
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Top five customers:

No.	Customer	Sales to the customer (RMB)	As % of total sales in the Reporting Period (%)
1	Customer A	2,809,746,439.77	3.37%
2	Customer B	2,516,093,693.37	3.02%
3	Customer C	2,214,700,085.98	2.66%
4	Customer D	1,953,953,403.20	2.35%
5	Customer E	1,824,340,485.73	2.19%
Total	--	11,318,834,108.05	13.59%

Other information about major customers:

Applicable  Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	2,253,921,896.08
Total purchases from top five suppliers as % of total purchases in the Reporting Period (%)	16.57%
Total purchases from related parties among top five suppliers as % of total purchases in the Reporting Period (%)	8.37%

Top five suppliers:

No.	Supplier	Purchases (RMB)	As % of total purchases in the Reporting Period (%)
1	Supplier A	803,492,724.65	5.91%
2	Supplier B	402,218,642.87	2.96%
3	Supplier C	366,544,784.89	2.69%
4	Supplier D	345,907,293.22	2.54%
5	Supplier E	335,758,450.45	2.47%
Total	--	2,253,921,896.08	16.57%

Other information about major suppliers:

Applicable  Not applicable

### 3. Expenses

Unit: RMB

	2023	2022	Change (%)	Main reason for any significant change
Selling expense	7,796,298,418.13	6,844,237,013.17	13.91%	
Administrative expense	3,319,445,339.77	3,068,119,268.45	8.19%	
Finance costs	-2,473,170,676.27	-2,026,351,047.92	N/A	
R&D expense	321,845,165.28	235,783,645.79	36.50%	Greater investments in R&D projects such as production techniques

The Company is subject to the disclosure requirements for the food and wine & liquor production industry in Guidelines No. 3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies—Industry-specific Information Disclosure.

**(1) Breakdown of Selling Expense**

Unit: RMB

Item	2023		2022		Change (%)	Reason for change
	Amount	As % of selling expense	Amount	As % of selling expense		
Image promotion expense	1,433,975,889.27	18.39%	1,240,440,205.34	18.12%	15.60%	
Sales promotion expense	4,540,282,674.32	58.24%	3,889,326,216.67	56.83%	16.74%	
Warehousing and logistics expense	546,674,750.94	7.01%	476,754,635.74	6.97%	14.67%	
Labor cost	735,243,412.93	9.43%	718,179,395.38	10.49%	2.38%	
Other expenses	540,121,690.67	6.93%	519,536,560.04	7.59%	3.96%	
<b>Total</b>	<b>7,796,298,418.13</b>		<b>6,844,237,013.17</b>		<b>13.91%</b>	

**(2) Advertising Expense**

During 2023, the Company's primary advertising means included TV, broadcasting, Internet, outdoor ads and exhibitions. The expenses on online, offline and TV ads were RMB181 million, RMB678 million and RMB575 million, respectively.

**4. R&D Investments**

Applicable  Not applicable

Main R&D project	Purpose	Progress	Specific objectives	Expected impact on the Company
Building and Industrial Application of China's Repository of Microbial Strains for Liquor	The establishment of China's Baijiu Microbial Strain Resource Bank effectively protects the diversity of China's Baijiu brewing microbial strains. It achieves standardised collection, quality control, professional preservation, comprehensive traceability, and digital management of important strains, ensuring deep exploration and efficient, controllable utilisation of core resources. This fosters the protection of microbial resource diversity in the Baijiu industry and its sustainable utilisation.	(1) Strains with distinct functional traits and clear traceability backgrounds have been explored and preserved. More than 400 types, over 1,000 strains, and above 20,000 backups of Wuliangye brewing microbial strains were collected, leading to the establishment of the China Baijiu Microbial Strain Bank, encompassing core types of Baijiu brewing microbial strains. (2) Five new strains of Baijiu brewing functional microbes have been discovered and effectively published. (3) A full-life-cycle evaluation and application technology system for strain resources have been developed, enabling the industrial application of these strains. (4) Sixteen articles have been published, eight invention patents awarded, and one software copyright obtained, positioning the overall technical level at an internationally advanced level. (5) The "Baijiu Microbiological Research Branch of the China Centre of Industrial Culture Collection" title was bestowed upon the project.	By establishing the China Baijiu Microbial Strain Bank, which covers core microbial strain types for Baijiu brewing, the project aims to become the largest enterprise microbial strain bank in China's liquor industry, providing a robust resource foundation for the industry's sustainable development.	Through the protection of Wuliangye's rare brewing resources and the continuous improvement in the rate of famous liquors, strong germplasm resources and technical support are provided for the Company's high-quality development. The safety and stability of the core microbial community in Baijiu brewing are ensured, promoting the high-quality development of China's Baijiu industry.

<p>Research on the replication of the pit mud engineering technology with modern biotechnology and its application in the Wuliangye high-quality and fast growth programme</p>	<p>The project is designed to replicate the similar function of naturally ageing pit mud with modern biotechnology and obtain man-made ageing pit mud with a similar flavour of naturally ageing pit mud and microbial flora during brewing, thereby enabling man-made pit mud to rapidly age and contributing to the construction of the new plant.</p>	<p>(1) The new strain of yeast (code: LY-L-M-1; Chinese name: 空气丛梗孢酵母菌) has been obtained. (2) The new strain of Clostridium bacteria that produces various beneficial Baijiu flavour components (code: WLY-B-L2; Chinese name: 产香梭状芽孢杆菌) has been obtained. (3) Several unique new strains of Wuliangye brewing have been discovered internationally, and progress has been made in engineering applications, with the overall technological level reaching an internationally advanced level.</p>	<p>The project aims to screen functional microorganisms in the pit mud and use them for man-made ageing of the pit mud and conduct a large-scale production and application demonstration in Wuliangye Baijiu production workshops.</p>	<p>The project will expedite the ageing of the new fermentation pits and pit mud, continuously increase the yield rate of famous liquor, and help Wuliangye safeguard its advantageous position as China's largest brewing base using the pure-grain solid fermentation technique, keep in alignment with the development trend of the Baijiu industry, meet people's increasing demand for quality Baijiu, and consolidate Wuliangye's status as a leader in strong-flavoured Baijiu.</p>
<p>Development of Wuliangye intelligent brewing production line and research on supporting production technique</p>	<p>The project is designed to inherit the essence of the traditional production technique and develop intelligent bionic brewing equipment by focusing on the core brewing process of Wuliangye, thereby reducing labour intensity during production, improving production efficiency, and promoting the perfect integration of the traditional production technique and modern technology.</p>	<p>(1) The intelligent brewing key equipment developed by the project has been expanded for application in the intelligent brewing demonstration workshop of the first phase of fast growth programme. (2) In 2023, six new patent applications were filed in the direction of core equipment for intelligent brewing, including three invention patents and three utility model patents. The total number of patent applications has exceeded 70.</p>	<p>The project aims to establish a workshop-level platform for the transformation of technological innovation achievements, achieving scaled production demonstration applications.</p>	<p>The dissemination and application of the project result will enable the bionic equipment to imitate flexible manual operation, achieve the scientific analysis of the traditional brewing technique, and transform the experience- and skill-dominated production process toward a human-machine collaborative production process. This will help inherit the traditional production technique, stabilize the traditional production technique operation, lower labour costs of brewing lines and boost the production efficiency.</p>

Particulars about R&D personnel:

	2023	2022	Change (%)
Number of R&D personnel	2,576	2,574	0.08%
R&D personnel as % of total employees	10.26%	10.11%	0.15%

Educational background of R&D personnel			
Bachelor's degree	916	915	0.11%
Master's degree	172	171	0.58%
Doctoral degree	21	14	50.00%
Age structure of R&D personnel			
Below 30	752	860	-12.56%
30~40	1,091	987	10.54%
Over 40	733	727	0.83%

## Particulars about R&amp;D investments:

	2023	2022	Change (%)
R&D investments (RMB)	321,845,165.28	235,783,645.79	36.50% (note)
R&D investments as % of operating revenue	0.39%	0.32%	0.07%
Capitalized R&D investments (RMB)	0.00	0.00	0.00%
Capitalized R&D investments as % of total R&D investments	0.00%	0.00%	0.00%

Note: Mainly due to greater investments in R&D projects such as production techniques.

Reasons for any significant change to the composition of R&D personnel and the impact:

Applicable  Not applicable

Reasons for any significant YoY change in the percentage of R&D investments in operating revenue:

Applicable  Not applicable

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

Applicable  Not applicable

## 5. Cash Flows

Unit: RMB

Item	2023	2022	Change (%)
Subtotal of cash generated from operating activities	107,762,271,480.99	83,849,102,992.33	28.52%
Subtotal of cash used in operating activities	66,019,791,572.76	59,417,966,730.85	11.11%
Net cash generated from/used in operating activities	41,742,479,908.23	24,431,136,261.48	70.86% (note 1)
Subtotal of cash generated from investing activities	25,404,357.88	69,705,342.99	-63.55% (note 2)
Subtotal of cash used in investing activities	2,957,236,682.34	1,786,159,893.52	65.56% (note 3)
Net cash generated from/used in investing activities	-2,931,832,324.46	-1,716,454,550.53	N/A
Subtotal of cash generated from financing activities	22,618,764.59		N/A
Subtotal of cash used in financing activities	16,322,853,342.68	13,105,431,458.20	24.55%
Net cash generated from/used in financing activities	-16,300,234,578.09	-13,105,431,458.20	N/A
Net increase in cash and cash	22,511,040,326.64	9,609,386,518.94	134.26% (note 4)



equivalents			
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Explanation of why any of the data above varies significantly on a year-on-year basis:

Applicable  Not applicable

Note 1: This is primarily driven by the increased cash generated from operating activities. Firstly, due to consumption recovery in the year, the Company saw a higher percentage of cash settlement with its customers and a higher amount of cash collected on due bank acceptance bills, resulting in a significant increase in cash proceeds from sale of goods and rendering of services. Secondly, to cope with market changes in the same period of last year, the Company lowered the percentage of cash settlement with its customers, leading to a lower base of cash proceeds from sale of goods and rendering of services.

Note 2: This is primarily driven by a higher base of net proceeds from the disposal of fixed assets, intangible assets and other long-term assets in the same period of last year.

Note 3: This is primarily because the Company accelerated the high quality and fast growth programme. Major projects progressed well, including the “Liquor Packaging and Integrated Smart Storage-and-delivery Project”, the “Baijiu Cellar Renovation Project”, and the “100,000-ton Ecological Brewery Project”, among others, leading to the increased construction expenditures that were settled in the Reporting Period.

Note 4: This is primarily driven by the significantly increased net cash generated from operating activities, and the increased financing costs as a result of increased construction investments and a higher amount of dividend payout, in the Reporting Period.

Explanation of why the net cash generated from/used in operating activities varies significantly from the net profit of the Reporting Period:

Applicable  Not applicable

## V Analysis of Non-Core Businesses

Applicable  Not applicable

## VI Analysis of Assets and Liabilities

### 1. Significant Changes in Asset Composition

Unit: RMB

	31 December 2023		1 January 2023		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	115,456,300,910.64	69.79%	92,358,426,975.79	60.44%	9.35%	
Accounts receivable	42,647,461.48	0.03%	35,686,942.32	0.02%	0.01%	
Inventories	17,387,841,712.87	10.51%	15,980,657,013.57	10.46%	0.05%	
Long-term equity investments	2,020,366,240.69	1.22%	1,986,387,524.78	1.30%	-0.08%	
Fixed assets	5,189,917,302.17	3.14%	5,312,971,445.61	3.48%	-0.34%	
Construction in progress	5,623,356,422.20	3.40%	3,773,155,983.95	2.47%	0.93%	
Right-of-use assets	126,810,315.49	0.08%	380,922,885.84	0.25%	-0.17%	
Contract liabilities	6,864,383,635.25	4.15%	12,379,125,542.70	8.10%	-3.95%	
Lease liabilities	115,722,608.68	0.07%	16,976,148.73	0.01%	0.06%	

Indicate whether overseas assets account for a large proportion in total assets.

Applicable  Not applicable

### 2. Assets and Liabilities Measured at Fair Value

Applicable  Not applicable

Unit: RMB



Item	Opening amount	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes recognized in equity	Impairment allowance for the current period	Purchase in the current period	Sold in the current period	Other changes	Closing amount
Financial assets								
1. Held-for-trading financial assets (exclusive of derivative financial assets)	1,200,000.00							1,200,000.00
2. Derivative financial assets								
3. Other debt investments								
4. Other equity investments								
5. Receivables financing	28,904,198,420.44						-14,817,747,854.65	14,086,450,565.79
Subtotal of financial assets	28,905,398,420.44						-14,817,747,854.65	14,087,650,565.79
Investment property								
Productive living assets								
Other								
Total of the above	28,905,398,420.44						-14,817,747,854.65	14,087,650,565.79
Financial liabilities								

Contents of other changes:

The Company classified the portion of bank acceptance bills received that were to be endorsed or discounted as receivables financing, and other changes during the current period represented the net amount recognized and utilized during the current period.

Indicate whether any significant change occurred to the measurement attributes of the major assets in the Reporting Period.

Yes  No

### 3. Restricted Assets as at the Period-end

Applicable  Not applicable

Unit: RMB

Item	Closing carrying amount	Reason for restriction
Monetary assets	200,977,259.48	Security deposits for bank acceptance bills, other security deposits, and the balance in the securities trading account with the Yibin Business Department of Essence Securities
Total	200,977,259.48	

## VII Investment Analysis

### 1. Total Investment Amount

Applicable  Not applicable

### 2. Significant Equity Investments Acquired in the Reporting Period

Applicable  Not applicable

### 3. Significant Ongoing Non-Equity Investments in the Reporting Period

Applicable  Not applicable

### 4. Financial Investments

#### (1) Securities Investments

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

### 5. Use of Raised Funds

Applicable  Not applicable

No such cases in the Reporting Period.

## VIII Sale of Major Assets and Equity Investments

### 1. Sale of Major Assets

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Sale of Major Equity Investments

Applicable  Not applicable

## IX Principal Subsidiaries and Joint Stock Companies

Applicable  Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the consolidated net profit:

Unit: RMB

Name	Relationship with the Company	Principal activities	Registered capital	Total assets	Equity
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Liquor-related operations	200,000,000.00	53,671,050,000.91	34,044,032,795.50

Unit: RMB

Name	Relationship with the Company	Principal activities	Operating revenue	Operating profit	Net profit
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Liquor-related operations	61,829,117,337.04	28,613,019,005.80	21,444,587,912.50

Subsidiaries acquired or disposed of in the Reporting Period:

Applicable  Not applicable

## X Structured Entities Controlled by the Company

Applicable  Not applicable

## XI Prospects

### (I) Industry Landscape and Trends

Strong brands, top producers, and major regions of production are the greatest ballasts and stabilisers for the high-quality development of the Baijiu industry. The future development of the Baijiu industry is highly certain, with structural growth still being the main theme and tune. Industry differentiation and concentration will further intensify.

**Firstly, the development of the industry is supported by the continuous improvement of the macroeconomy.** China's economy is rebounding well, and the primary trend of long-term improvement remains unchanged, with residents' consumption capacity and expectations continuing to improve. The Central Government has designated 2024 as the "Year of Consumption Promotion", making "expanding domestic demand and promoting consumption" a key point of the economic work for 2024. This will further stimulate the release of residents' consumption potential, driving consumption from post-pandemic recovery to continuous expansion, which bodes well for the sustained growth in Baijiu consumption demand.

**Secondly, industrial policies continue to bolster the industry's development.** In 2023, the Ministry of Industry and Information Technology of the People's Republic of China and 11 other departments jointly issued the Guidelines on Cultivating Traditional Advantageous Food Production Regions and Local Specialty Food Industries, focused on forming new economic development drivers, encouraging high-quality Baijiu to concentrate in quality production regions. The Ministry of Industry and Information Technology of the People's Republic of China and two other departments jointly issued the Light Industry Steady Growth Work Plan, which explicitly proposes further strengthening Baijiu and other specialty food industry clusters. CPC Sichuan Provincial Committee, and the People's Government of Sichuan Province have explicitly proposed implementing a fast growth programme to promote high quality and fast growth of the food and textiles industries, centered on Baijiu, and to build a world-class premium Baijiu industry cluster. The Opinions on Supporting Yibin and Luzhou to Form a Group to Build the Southern Sichuan Provincial Economic Sub-Centre were issued, clearly proposing the implementation of a high-quality Baijiu "Mount Qomolangma Climbing" plan to further enhance the global competitiveness of the high-quality Baijiu industry.

**Thirdly, the aspiration for a better life leads the industry's development.** Baijiu is an important carrier for meeting people's aspirations for a better life. The cultural carrier characteristics and social attributes of Baijiu will not change. The Baijiu industry continues to explore new opportunities and open new situations by deepening supply-side structural reforms. As consumer demographics become younger and demand for quality increases, the market's demand for Baijiu gradually shows diversity, individualisation, and health-conscious characteristics. As a leading and advantageous company, we continuously push forward with innovations in liquor body, products, and scenarios, precisely explore consumers' real demands, effectively tap into potential demands, vigorously cultivate valid demands, and lead new demand creation with new supplies, which will effectively promote the sustained high-quality development of the Baijiu industry.

**(II) Development Strategies of the Company:** Wuliangye will persist in taking quality, culture, integrity and innovation as the foundation, and vigorously implement the 135 development strategy. It will promote the three major programmes of quality brands, marketing innovation and high-quality & fast growth, making every effort to build an ecological and quality-oriented Wuliangye with culture as the foundation, digital transformation as the driver and sound corporate governance as the support. With a focus on enhancing the Wuliangye brand value, continuous efforts will be made to strengthen brand quality, consumer cultivation, and channel profitability, driving the price to quickly align with the reasonable return to brand value, and fully promoting the Company to achieve qualitative enhancement and rational growth in quantity.

### (III) Completion of the Business Plan for 2023

1. Planning at the beginning of the year: The Company would strive for a double-digit growth in operating revenue in 2023.

2. Realities: In 2023, the Company achieved operating revenue of RMB83.272 billion, up 12.58% year on year.

### (IV) Development Goals for 2024

The Company's operation goal: The consolidation and enhancement of a stable development trend and a continued double-digit growth in operating revenue.

2024 marks the 75th anniversary of the founding of the People's Republic of China, and it is a crucial year for achieving the objectives and tasks outlined in the 14th Five-Year Plan. The Company will steadfastly adhere to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the key spirit and instructions of the 20th National Congress of the Communist Party of China and the

second plenary session of the 20th Central Committee, as well as General Secretary Xi Jinping's visit to Sichuan and Yibin. The Company is committed to fully implementing the decisions and arrangements of the Provincial Party Committee and Provincial Government, the Municipal Party Committee and Municipal Government, following the general principle of "staying politically aware, driving development, improving people's livelihood, ensuring safety, and delivering first-class performance". In accordance with the overall tone of "seeking progress in stability, maintaining stability with progress, improving quality and efficiency, as well as making more contributions", the Company insists on taking quality, culture, integrity and innovation as the foundation. It aims to balance the immediate and long-term needs, high-quality development and high-level safety, as well as effective improvement in quality with rational growth in quantity. The Company is dedicated to accelerating the pace of high-quality development and striving to become a world-leading enterprise with superior products, strong brands, advanced innovation and modern governance.

#### (V) Potential Risks

Firstly, there may be uncertainties in the environment at home and abroad; secondly, valid demand may not be recovering in an expected pace; and finally, competition in the industry, especially among the top players, may be increasingly intense.

### XII Researches, Inquiries, Interviews, etc. Received during the Reporting Period

Applicable  Not applicable

Date	Place	Way of communication	Type of the communication party	Communication party	Main discussions and materials provided by the Company	Index to the relevant information
5 January 2023	Yibin	Through an online platform	Institution	Golden Eagle Fund, Hongkong Life Insurance, Pengshan Partners, China International Fund Management, etc.	The Company's development strategies, production and operation status	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
11 January 2023	Yibin	One-on-one meeting	Institution	First Seafont, Huaxi Securities		
18 January 2023	Yibin	Through an online platform	Institution	E Fund, Huashang Fund, Zhongtai Asset Management, Tongben Invest, Ping An Asset Management, Yinhua Fund, etc.		
31 January 2023	Chengdu	Securities firm's investment strategy conference	Institution	China Universal, AEGON-INDUSTRIAL Fund, ICBC Credit Suisse Asset Management, etc.		
1 February 2023	Yibin	One-on-one meeting	Institution	E Fund, CCB Principal Asset Management, Nuode Asset Management, etc.		
6 February 2023	Chengdu	Securities firm's investment strategy conference	Institution	Huatai Insurance, Kaifeng Invest, Nanjing Self-operated, Xintai Life Insurance, etc.		
8 February 2023	Changsha	Securities firm's investment strategy conference	Institution	HuaAn Fund, Guotai Asset Management, Tianhong Fund, Ping An Asset Management, etc.		
9 February 2023	Shenzhen	Securities firm's investment	Institution	Longrising, Perseverance Asset Management, Bosera Fund, GF Asset		

		strategy conference		Management, etc.		
16 February 2023	Yibin	One-on-one meeting	Institution	Norges Bank, Capital Group, Central Asset, Coatue, etc.		
21 February 2023	Yibin	One-on-one meeting	Institution	E Fund, Yinhua Fund		
23 February 2023	Shenzhen	Securities firm's investment strategy conference	Institution	China Merchants Fund, New China Asset Management, Great Wall Fund, etc.		
10 March 2023	Yibin	One-on-one meeting	Institution	Franklin Templeton, GaoTeng Global, Ping An Asset Management, etc.		
16 March 2023	Xiamen	Securities firm's investment strategy conference	Institution	China Universal, Orient Securities Asset Management, GF Fund Management		
21 March 2023	Hong Kong	Securities firm's investment strategy conference	Institution	Goldman Sachs Gaohua, CICC, HSBC Qianhai, Credit Suisse Founder Securities, etc.		
28 March 2023	Nanchang	Securities firm's investment strategy conference	Institution	Zhengfubang, Guotai Asset Management, Morgan Stanley Huaxin, and other institution investors		
11 May 2023	Shanghai	Securities firm's investment strategy conference	Institution	Maxwealth Fund, FuanFund, China International Fund Management, Huatai Fund Management, etc.		
17 May 2023	Yibin	By phone	Institution	Haitong Securities, etc.		
26 May 2023	Yibin	2022 Annual General Meeting of Shareholders	Institution and individual	E Fund, Central Huijin, Invesco Great Wall Fund Management, individual shareholders, etc.		
1 June 2023	Shanghai	Securities firm's investment strategy conference	Institution	JPMorgan Chase, Huatai Securities, China Merchants Securities, etc.		
8 June 2023	Beijing	Securities firm's investment strategy conference	Institution	Guotai Asset Management, China Post Securities, etc.		
14 June 2023	Shanghai	Securities firm's investment strategy conference	Institution	Amundi BOC Wealth Management, ICBC AXA, Western Leadbank, etc.		
26 June 2023	Changsha	Securities firm's	Institution	Golden Sun Securities, etc.		

		investment strategy conference				
6 July 2023	Shanghai	Securities firm's investment strategy conference	Institution	Shenwan Hongyuan, CITIC Securities, etc.		
13 July 2023	Yibin	One-on-one meeting	Institution	Zheshang Securities, CICC, etc.		
29 August 2023	Yibin	Through an online platform	Institution	Haitong Securities, etc.		
7 September 2023	Beijing	Securities firm's investment strategy conference	Institution	Huachuang Securities, etc.		
19 September 2023	Yibin	One-on-one meeting	Institution	CITIC Securities, CLSA, GF Securities, etc.		
11 October 2023	Yibin	One-on-one meeting	Institution	Cederberg Capital Limited, etc.		
31 October 2023	Changsha	Securities firm's investment strategy conference	Institution	Tianfeng Securities, Founder Securities, etc.		
8 November 2023	Yibin	One-on-one meeting	Institution	Guotai Junan Securities, E Fund, Huachuang Securities, etc.		
27 December 2023	Shanghai	Other	Institution	Guotai Junan Securities, etc.		

### XIII Implementation of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns"

Indicate whether the Company has disclosed its Action Plan for "Dual Enhancement of Development Quality and Investor Returns".

Yes  No

In order to comprehensively implement the guiding principles of the Political Bureau meeting on "activating the capital market and boosting investor confidence" and the State Council Executive Meeting on "vigorously enhancing the quality and investment value of listed companies, adopting more effective measures, focusing on stabilizing the market and confidence", Wuliangye Yibin Co., Ltd. (hereinafter referred to as the "Company" or "Wuliangye") disclosed the Action Plan for "Dual Enhancement of Development Quality and Investor Returns" (Announcement No.: 2024/No. 002) on 7 March 2024. The implementation of the action plan is as follows.

#### (I) Strengthen development and strive to accelerate the journey to become a world-leading enterprise

**Firstly, the Company has maintained steady and robust growth in operating performance.** Maintaining the strategic focus of "concentrating on the liquor industry and strengthening the principal operations", the Company adhered to the working principles of "seeking progress in stability, maintaining stability with progress, improving quality and efficiency, as well as making more contributions", solidly carried out its work, and takes scientific actions, achieving new heights in corporate development. In 2023, the Company achieved operating revenue of RMB83.272 billion, an increase of 12.58% year on year; and the net profit attributable to its shareholders was RMB30.211 billion, an increase of 13.19% year on year. In the first quarter of 2024, the Company achieved operating revenue of RMB34.833 billion, a year-on-year increase of 11.86%; the net profit attributable to its shareholders was RMB14.045 billion, a year-on-year increase of 11.98%, maintaining steady growth in operating performance.

**Secondly, the driving force for innovative development continued to strengthen.** In 2023, the Company

invested RMB322 million in research and development, a year-on-year increase of 36.50%, further consolidating the foundation for innovative development of Wuliangye. Wuliangye has established seven national-level innovation platforms, including the National Baijiu Product Quality Supervision and Inspection Centre, the National-level Enterprise Technology Centre, the National-level Industrial Design Centre, and the Post-doctoral Research Station, among others, with over 8% of research and development personnel holding doctoral degrees. The Company continued to promote the construction of national-level innovation platforms, vigorously conducts basic theoretical research with core microorganisms in Baijiu brewing, health factors, flavour substances, etc., promoted supply-side structural reforms with liquor body innovation and production technique innovation as the core, and continuously achieved new breakthroughs and results in enterprise transformation and innovative development.

**Thirdly, the brand influence continued to rise.** On 17 January 2024, Brand Finance, an internationally renowned brand valuation agency, released the Brand Finance 2024 Global Brand Value 500 list. Wuliangye's Brand Strength Index (BSI) scored 90.7 points, ranking first among Baijiu brands, and obtained the highest rating of AAA for global Baijiu brands, with its brand value and global influence continuing to rise.

#### **(II) Strengthen compliance and continuously improve corporate governance**

**Firstly, the information disclosure continued to be strengthened.** The Company continued to strengthen its learning of the Rules Governing the Listing of Shares and Guidelines on the Application of Self-Regulation Rules for Listed Companies and other regulations on the supervision of listed companies, and to strengthen information disclosure management. It has won the highest level (A) assessment of information disclosure from the Shenzhen Stock Exchange for nine consecutive years. Since 2024, the Company has compiled and disclosed 36 regular reports and interim reports, timely conveying relevant information on its production and operation.

**Secondly, the governance system continued to be optimised.** The Company continued to improve the level of corporate governance and promote the stable operation of the governance structure. The Company currently has nine directors, including four internal directors and five outside directors. Major agenda items are subject to pre-review and pre-study by the Party Committee, continuously exerting the effectiveness of scientific decision-making by the Board of Directors. since 2024, the Company has convened four Board meetings, deliberating on 17 proposals, including matters related to profit distribution, actively implementing the functions of the Board of Directors, and ensuring efficient and orderly management of the Company.

**Thirdly, the supervision mechanism continued to be sound.** Since 2024, the Company has continued to promote the revision of the Articles of Association; independent directors attended one special meeting of independent directors and four Meetings of the Board of Directors, while continuing to pay attention to the Company's information disclosure work, objectively evaluating the timeliness and accuracy of information disclosure, and independently and prudently expressing opinions to ensure the normative, compliant, and effective operation of the Board of Directors; the Company's Supervisory Committee independently exercised its powers in accordance with the law, comprehensively supervised the Company's lawful operations, financial status, related transactions, external guarantees, and actively safeguarded the legitimate rights and interests of all shareholders, the Company, and employees.

#### **(III) Strengthen returns and continuously increase shareholder returns**

The Company continued to uphold the core value of "creating returns for investors". While focusing on its own development and improving performance, it actively shared the yield of development with all shareholders. On 24 April 2024, the 4th Meeting of the 6th Board of Directors of the Company approved the profit distribution plan for 2023: based on 3,881,608,005 shares, a cash dividend of RMB46.70 (tax inclusive) will be distributed to all shareholders for every 10 shares; the cash dividend payout ratio is 60%, with a total cash dividend of RMB18.127 billion, both the payout ratio and scale of dividends reached a new high since listing.

**(IV) Strengthen confidence and major shareholders implement additional purchases of the Company's shares**

The Company's major shareholder, Sichuan Yibin Wuliangye Group Co., Ltd. (hereinafter referred to as "Wuliangye Group"), initiated the implementation of additional purchases of the Company's shares on 14 December 2023, and has accumulated a total purchase amount of RMB180 million to date. Subsequently, Wuliangye Group will continue to implement the additional purchase plan.

#### **(V) Strengthen communication and continuously optimise investor relations management**

The Company always adhered to the principles of "compliance, equality, proactivity, and honesty and trustworthiness", continuously optimised investor relations management, and built various communication platforms. The Company is scheduled to hold the "2023 Annual and 2024 First Quarter Performance Briefing" on 23 May 2024, publicly soliciting questions from investors in advance, actively listening to investors' opinions and



suggestions, improving the effectiveness and pertinence of questions, and actively ensuring the equal participation of minority shareholders.

The Company will continue to implement relevant measures of the Action Plan for "Dual Enhancement of Development Quality and Investor Returns", strive to realise the concept of "investors first" through good performance, standardised corporate governance, and active investment returns, effectively fulfil the responsibilities and obligations of a listed company, enhance investor confidence, and achieve sustained high-quality development of the Company.



## Part IV Corporate Governance

### I Corporate Governance Overview

In 2023, focusing closely on the development goal of building a world-class enterprise with modern governance, the Company continued to improve its corporate governance structure, optimize its mechanisms, as well as accelerate the establishment of a well-organized, well-coordinated and well-balanced corporate governance mechanism.

**Firstly, the Company continuously optimised the governance system.** During the Reporting Period, the Company's governance system was further improved. The Company currently has nine directors, including four internal directors and five outside directors. Major agenda items are subject to pre-review and pre-study by the Party Committee, continuously exerting the effectiveness of scientific decision-making by the Board of Directors; one General Meeting of Shareholders was held throughout the year, deliberating on nine agenda items; 12 Meetings of the Board of Directors were held, deliberating on 46 agenda items, including matters related to profit distribution and major engineering projects, actively implementing the functions of the Board of Directors, and ensuring efficient and orderly management of the Company.

**Secondly, the Company continuously improved the supervision mechanism.** During the Reporting Period, the Company completed the revision of regulations of "major issues, major appointments and dismissals, major project investment, and use of large amount of funds", the Performance Appraisal and Remuneration Management Methods for Deputy Senior Management, and continued to promote the revision of the Articles of Association and Rules of Procedure for the Board of Directors; independent directors attended 12 Meetings of the Board of Directors throughout the year and attended one General Meeting of Shareholders, while continuing to pay attention to the Company's information disclosure work, objectively evaluating the timeliness and accuracy of information disclosure, and independently and prudently expressing opinions to ensure the normative, compliant, and effective operation of the Board of Directors.

**Thirdly, the Company continuously improved internal control effectiveness.** Based on the continuous improvement of modern corporate regulations, the Company continuously improved the internal control system and risk management mechanism, integrated and exerted the practical effectiveness of risk prevention and control of multiple management institutions such as audit, finance, discipline inspection, and the Supervisory Committee, and increased training and assessment efforts for the decision-making ability and risk prevention awareness of senior management, ensuring the rational and smooth operation of the Company's governance mechanism.

Indicate whether there is any material incompliance with the applicable laws, regulations, or rules issued by the CSRC governing the governance of listed companies.

Yes  No

No such cases.

### II Independence of the Company from its Controlling Shareholder and Actual Controller in Assets, Personnel, Finance, Organizational Structure, Business, etc.

The Company is independent of its controlling shareholder in business, personnel, assets, organizational structure, finance, etc. It has independent and complete systems of production and operation and is able to operate on its own.

In terms of business, the Company has independent production and operation systems, production supporting systems and related ancillary facilities. It is able to make decisions on its own with respect to operating activities.

In terms of personnel, the Company independently manages labor, human resources and salaries.

In terms of assets, the Company has ownership and control of its assets, and the controlling shareholder does not occupy its assets or funds.

In terms of organizational structure, the principal management organs and systems for production and operation of the Company are independent.

In terms of finance, the Company has an independent financial organ, independent accounting system and financial management mechanism, and has its own bank account.

### III Horizontal Competition

Applicable  Not applicable

## IV Annual and Extraordinary General Meetings of Shareholders Convened during the Reporting Period

### 1. General Meetings of Shareholders Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Resolutions
The 2022 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	72.79%	26 May 2023	27 May 2023	See the Announcement on Resolutions of the 2022 Annual General Meeting of Shareholders (2023/No. 017)

### 2. Extraordinary General Meetings of Shareholders Convened at the Request of Preference Shareholders with Resumed Voting Rights

Applicable  Not applicable

## V Directors, Supervisors and Senior Management

### 1. General Information

Name	Gender	Age	Office title	Employment status	Start of office term	End of office term	Opening shareholding (share)	Increase in the current period (share)	Decrease in the current period (share)	Other increase/decrease (share)	Closing shareholding (share)	Reason for share changes
Zeng Congqin	Male	55	Secretary of the CPC Committee	Incumbent	28 January 2022	Currently ongoing						
			Chairman of the Board		27 May 2022							
Jiang Wenge	Male	57	Deputy Secretary of the CPC Committee	Incumbent	28 January 2022	Currently ongoing						
			Vice Chairman of the Board and General Manager		27 May 2022							
Zhang Yu	Male	49	Member of the CPC Committee	Incumbent	30 December 2020	Currently ongoing						
			Vice Chairman of the Board		27 May 2022							
Xu Bo	Female	56	Director	Incumbent	27 May 2022	Currently ongoing						
Xiao Hao	Male	47	Deputy Secretary of the CPC Committee	Incumbent	15 December 2021	Currently ongoing						
			Director		27 May 2022							
Xie	Male	64	Independent	Incumbent	27 May 2022	Currently						

Zhihua			Director			ongoing						
Wu Yue	Male	57	Independent Director	Incumbent	27 May 2022	Currently ongoing						
Hou Shuiping	Male	68	Independent Director	Incumbent	27 May 2022	Currently ongoing						
Luo Huawei	Male	54	Independent Director	Incumbent	27 May 2022	Currently ongoing						
Liu Ming	Male	53	Member of the CPC Committee	Incumbent	22 February 2022	Currently ongoing	6,065				6,065	
			Chairman of the Supervisory Committee		27 May 2022							
Zhang Qing	Male	58	Employee Supervisor	Incumbent	27 May 2022	Currently ongoing	12,730				12,730	
Wu Guoping	Male	54	Employee Supervisor	Incumbent	27 May 2022	Currently ongoing	40,988				40,988	
Yang Yunxia	Female	52	Member of the CPC Committee	Incumbent	23 May 2022	Currently ongoing	15,894				15,894	
			Chief Engineer		27 May 2022							
Jiang Jia	Male	49	Member of the CPC Committee	Incumbent	22 February 2022	Currently ongoing	11,841				11,841	
			Deputy General Manager		1 February 2024							
Xie Zhiping	Male	55	Acting CFO	Incumbent	2 February 2024	Currently ongoing						
Yue Song	Male	51	Deputy General Manager	Incumbent	27 May 2022	Currently ongoing	9,819				9,819	
Li Jian	Male	49	Deputy General Manager	Incumbent	27 May 2022	Currently ongoing						
Zhang Xin	Male	54	Member of the CPC Committee	Incumbent	25 September 2023	Currently ongoing						
			Deputy General Manager									
			Board Secretary		19 April 2024	Currently ongoing						
Jiang Lin	Female	44	Member of the CPC Committee	Former	22 February 2022	13 September 2023						
			Director and Deputy General Manager		27 May 2022	25 September 2023						
			Board Secretary		24 August 2022	19 April 2024						
Zhang Xin	Male	54	Supervisor	Former	27 May 2022	2 June 2023						
Jiang Jia	Male	49	Chief Economist	Former	27 May 2022	2 February 2024						
Xie Zhiping	Male	55	Member of the CPC Committee	Former	26 October 2022	2 February 2024						
			CFO		4 November 2022							
Liang Li	Female	53	Director	Former	27 May 2022	2 February 2024						
Liu Yang	Male	45	Deputy General Manager	Former	27 May 2022	2 February 2024						
Total	--	--	--	--	--	--	97,337	0	0	0	97,337	--

Indicate whether any director, supervisor or senior management resigned before the expiry of their office

terms during the Reporting Period.

Yes  No

Changes of directors, supervisors and senior management:

Applicable  Not applicable

Name	Office title	Type of change	Date	Reason
Zhang Xin	Deputy General Manager	Appointed	25 September 2023	Appointed by the Board of Directors
	Board Secretary	Appointed	19 April 2024	
	Supervisor	Former	2 June 2023	Having resigned for a job change
Jiang Lin	Director and Deputy General Manager	Former	25 September 2023	Having resigned for a job change
	Board Secretary	Former	19 April 2024	
Liang Li	Director	Former	2 February 2024	Having resigned for a job change
Liu Yang	Deputy General Manager	Former	2 February 2024	Having resigned for a job change
Jiang Jia	Chief Economist	Former	2 February 2024	Having resigned for a job change
Xie Zhiping	CFO	Former	2 February 2024	Dismissed by the Board of Directors

## 2. Biographical Information

Professional backgrounds, main work experience and current positions in the Company of the incumbent directors, supervisors and senior management:

(1) Mr. Zeng Congqin, a doctoral degree holder and professorate senior economist. He began to work in July 1988 and successively served in Changning County of Yibin, municipal authorities, Cuiping District, and Lingang Economic Development Zone. He once served as a member of the Standing Committee of the Changning County CPC Committee, Director of the Publicity Department, and Executive Deputy County Chief of Changning County, Director of the Investment Service Bureau of Yibin Lingang Economic Development Zone, Secretary of the Party Leadership Group and Director of the Yibin Municipal Development and Reform Commission and Director of the Municipal Price Bureau, Director of the Municipal Bureau of Energy, Secretary of the Cuiping District CPC Committee, and Secretary of the Party Working Committee of Lingang Economic Development Zone. At present, he serves as the Secretary of the CPC Committee and the Chairman of the Board of the Company, as well as the Secretary of the CPC Committee and the Chairman of the Board of Wuliangye Group.

(2) Mr. Jiang Wenge, a master's degree holder and professorate senior economist. He began to work in August 1985 and successively served in Peng'an County and Shunqing District of Nanchong City, Sichuan, the Sichuan Provincial Development and Reform Commission, and the Welfare-to-work Office of Sichuan Province. He once served as the Deputy Head of Shunqing District Government, Deputy Director of the Employment and Income Distribution Office, Deputy Director of the Division of Rural Economy, and Director of the Division of Rural Economy of Sichuan Provincial Development and Reform Commission, and the Deputy Director and Primary Investigator of the Welfare-to-work Office of Sichuan Province. He now serves as the Deputy Secretary of the CPC Committee, Vice Chairman of the Board, and General Manager of the Company.

(3) Mr. Zhang Yu, a doctoral degree holder. He began to work in July 1997 and successively served in the Chengdu Education Bureau, Qingyang District Government and Xindu District Committee. He once served as Secretary of CPC Committee, Director, and Party Group Secretary of the District Education Bureau, a member of the Party Group of the District Government, Deputy District Chief, a member of the Standing Committee of District Committee and Director of the Organization Department of the District Government, Deputy Secretary of the CPC Committee of Wuliangye Group from April to December 2020, and Deputy Secretary of the CPC Committee of the Company from December 2020 to December 2021. Currently, he is a member of the CPC Committee and Vice Chairman of the Board of the Company.

(4) Ms. Xu Bo, a bachelor's degree holder. She began to work in December 1983 and successively served in the Electronic Education Company of the Yibin Education Bureau and the Yibin City Bureau of Audit. She once served as the Deputy Head, Head, and Deputy Director of the Yibin City Bureau of Audit. She now serves as a Director of the Company, as well as a Director and the General Manager of Yibin Development Group.

(5) Mr. Xiao Hao, a master's degree holder. He began to work in July 1998. He successively served in the Organization Department of the CPC Committee of Yibin County, the Organization Department of the CPC Committee of Yibin City, and the Office of the CPC Committee of Yibin City. He successively served as the Deputy Director of Municipal CPC Committee Office, Director of the Standing Committee Office of the Municipal CPC Committee, and Deputy Secretary-General of the Municipal CPC Committee. He served as the Deputy Secretary of the CPC Committee of Wuliangye Group from December 2020 to December 2021. He has been the Deputy Secretary of the CPC Committee of the Company since December 2021, and the Deputy Secretary of the CPC Committee and a Director of Wuliangye Group since March 2022. He is now a Deputy Secretary of the CPC Committee and a Director of the Company.

(6) Mr. Xie Zhihua, a doctoral degree holder, professor, certified public accountant, and Expert of the Special Government Allowances of the State Council. He began to work in June 1976 and successively served in Xiangxi Autonomous Prefecture Commercial School, Beijing Business School, and Beijing Technology and Business University. He once served as the Deputy Director, Director, Director of the Academic Affairs Department, and Vice President of the Accounting Faculty of Beijing Business School, and a member of the CPC Committee and Vice President of Beijing Technology and Business University. He now serves as an Independent Director of the Company, a Professor of Beijing Technology and Business University, and an Independent Director of China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd., in addition to being an Outside Director of Sinochem Energy Co., Ltd., Yunnan Hongta Bank Co., Ltd., and Bank of Jiaying Co., Ltd.

(7) Mr. Wu Yue, a doctoral degree holder and professor. He now serves as the Professor at the School of Law of Southwestern University of Finance and Economics, and concurrently serves as the Vice President of the Business Law Research Association of the Sichuan Law Society, Executive Director of China Business Law Research Association, Arbitrator of China International Economic and Trade Arbitration Commission, and Arbitrator of Chengdu Arbitration Commission. He is also an Independent Director of the Company, Chengdu Corpro Technology Co., Ltd., and Sichuan Mingxing Electric Power Co., Ltd., as well as an Outside Director of Sichuan Dandan Pixian Bean Paste Group Co., Ltd.

(8) Mr. Hou Shuiping, a doctorate degree holder, researcher and an expert entitled to special allowances from the State Council. He took the posts of Dean of the Sichuan Academy of Social Sciences and Deputy Director of the Decision-making Advisory Committee (Provincial Science and Technology Advisory Group) of the CPC Sichuan Provincial Committee and the People's Government of Sichuan Province. At present, he serves as a researcher and post-doctoral co-supervisor at the Sichuan Academy of Social Sciences. He is also an Independent Director of the Company, Sichuan Yahua Industrial Group Co., Ltd., and Sichuan Shudao Equipment & Technology Co., Ltd.

(9) Mr. Luo Huawei, a doctorate degree holder, professor, certified public accountant, and legal practitioner. At present, he serves as a doctoral supervisor at Sichuan Agricultural University, and a Director of the Accounting Society of Sichuan. He is also an Independent Director of the Company, an Outside Director of Ya'an Development Investment Co., Ltd., an Independent Director of Sichuan Yahua Industrial Group Co., Ltd., and an Independent Director of D&O Home Collection Group Co., Ltd.

(10) Mr. Liu Ming, a bachelor's degree holder, senior engineer of liquor brewing, and China Liquor Brewing Master, national-level specially-invited Baijiu appraisal committee member. He began to work in Wuliangye distillery in December 1986 and once served as the Deputy Director and Director of the workshop, and concurrently served as the Deputy Secretary of the Party Branch, Secretary of the Party Branch, President of the Branch Labor Union, Secretary of the Party General Branch, General Manager and Chairman of Yibin Changjiangyuan Liquor Co., Ltd., Assistant to the General Manager and Director of the Production Management Department of the Company. He served as the Chief Engineer of the Company from July 2021 to March 2022. He has been a member of the CPC Committee of the Company since February 2022. Currently, he is a member of the CPC Committee and the Chairman of the Supervisory Committee of the Company.

(11) Mr. Wu Guoping, a bachelor's degree holder, auditor and senior sourcer. He began to work in August 1989 and once served in Audit Bureau and Finance Bureau of Cuiping District, Yibin City, Yibin City Bureau of Audit. He was transferred to the Company and served as the Deputy Director of the Audit Affairs Department in May 2015, Employee Supervisor of the Company in June 2015, and Deputy Director of the Audit Department in July 2015. He now serves as an Employee Supervisor and the Deputy Director of the Audit and Supervision Department of the Company, as well as a Supervisor of Wuliangye Group.

(12) Mr. Zhang Qing, a college degree holder and senior brewing engineer. He began to work at the Wuliangye distillery in January 1983. He took the posts of Leader and Technician of the Brewing Team of the Workshop, Assistant Workshop Director, Assistant Head of the Production Management Department, Head of the Control Room, President of the Branch Labour Union, Workshop Director, President of the Labour Union, Supervisor, General Manager, and Director of Yibin Changjiangyuan Liquor Co., Ltd., and Deputy Head of the



Production Management Department of the Company. At present, he serves as Employee Supervisor and Head of the Production Management Department of the Company.

(13) Ms. Yang Yunxia, a bachelor's degree holder and Senior Political Mentor. She began to work at the Wuliangye distillery in July 1991. She once held offices at Workshop 508, Workshop 513, the Audit Supervision and Legal Affairs Department, and the Organization Department of the CPC Committee. She was Deputy Secretary to the CPC Branch of Workshop 506 in August 2003 and Secretary of the CPC Branch of Workshop 506 in December 2003. Ms. Yang Yunxia was an Employee Representative Supervisor of the Company between June 2014 and June 2020 and Head of the Work Department of the CPC Committee of the Company between May and July 2015. She started serving as the Head of the Mass Work Department of the Company in July 2015 (concurrently, she was Deputy Secretary to the CPC Xingwen Committee between March 2016 and June 2018). She took the posts of Member of the CPC Committee, President of the Labour Union, and Head of the Mass Work Department of the Company in June 2018, and of Member of the CPC Committee, Chairman of the Supervisory Committee, and Head of the Mass Work Department of the Group in December 2020. At present, she is a Member of the CPC Committee, the Chief Engineer and Food Safety Director of the Company.

(14) Mr. Jiang Jia, a bachelor's degree holder and senior economist. He began to work in Wuliangye distillery in July 1997 and once served as the Deputy General of the Sales Department, Deputy General of the Brand Affairs Department of Brand Distributors, Deputy Director and Director of the Strategic Development Department, and Chairman of Wuliangye Health Wine Company. He has served as a member of the CPC Committee and Chief Economist of Wuliangye Group since April 2020. He used to be the Chief Economist of the Company. At present, he is a member of the CPC Committee and Deputy General Manger of the Company.

(15) Mr. Xie Zhiping, a master's degree holder. He began to work in August 1991. He took posts at the Yibin Municipal Finance Bureau and Yibin Municipal Bureau of Statistics. He was a Member of the CPC Group and Deputy Director of Yibin Municipal Finance Bureau, Secretary to the CPC Group and Director of the Yibin Municipal Bureau of Statistics, Secretary to the CPC Group and Director of Yibin Municipal Finance Bureau, a Member of the CPC Committee and Chief Financial Officer of Wuliangye Yibin Co., Ltd. He became a Member of the CPC Committee and Chief Financial Officer of Wuliangye Group in February 2022. Formerly the Chief Financial Officer of the Company, he now serves as the Acting Chief Financial Officer of the Company.

(16) Mr. Yue Song, a bachelor's degree holder and senior brewing technician. He started to work in the Wuliangye Distillery in December 1995. He once served as the Deputy Director of the Office, Deputy Director of the Office of the Board of Directors, Secretary of the CPC Branch, as well as Secretary of the CPC Branch and President of the Branch Labor Union of Workshop 505 and Workshop 523 of the Company, General Manager and President of the Branch Labor Union of Sichuan Wuliangye Culture Tourism Co., Ltd., Secretary of the Party General Branch and Chairman of Yibin Changjiangyuan Liquor Co., Ltd., and General Engineer of Wuliangye Group. He is now a Deputy General Manager and the Safety Director of the Company.

(17) Mr. Li Jian, a doctoral degree holder. He began to work in October 1995 and once served in the Housing and Urban-Rural Development Bureau of Changning County, Education and Sports Bureau of Yibin City, and Shunan Culture & Tourism Group. He once served as a member of the CPC Committee and Deputy General Manager of Shunan Culture & Tourism Group. He is now a Deputy General Manager and the Environmental Protection Director of the Company.

(18) Mr. Zhang Xin, a master's degree holder. With his career starting in August 1991, he used to serve in the Yibin Bureau of Finance, and the Yibin State-owned Assets Supervision and Administration Commission. He once was a Head of Section, Deputy Head of the Corporate Section, Full-time Deputy Secretary of the CPC Committee and Head of the Asset Management Section of the Yibin Bureau of Finance. Also, he used to be a member of the CPC Committee and Deputy General Manager of Yibin Development Group, as well as the Secretary of the CPC Branch and Chairman of the Board of Sichuan Sanjiang Huihai Finance Leasing Co., Ltd. Currently, he is a member of the CPC Committee, a Deputy General Manager, the Board Secretary, and a director-designate of the Company.

Offices held concurrently in shareholding entities:

Applicable  Not applicable

Name	Shareholding entity	Office held in the entity	Start of office term	End of office term	Paid by the entity or not
Zeng Congqin	Wuliangye Group	Secretary of the CPC Committee and Chairman of the Board			No
Xu Bo	Yibin Development	Director and General Manager			Yes

	Group				
Xiao Hao	Wuliangye Group	Deputy Secretary of the CPC Committee and Director			No

Offices held concurrently in other entities:

Applicable  Not applicable

Name	Other entity	Office held in the entity	Start of office term	End of office term	Paid by the entity or not
Xie Zihua	Beijing Technology and Business University	Professor			Yes
	China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.	Independent Director			Yes
	Sinochem Energy Co., Ltd., Yunnan Hongta Bank Co., Ltd., and Bank of Jiaying Co., Ltd.	Outside Director			Yes
Wu Yue	Southwestern University of Finance and Economics	Professor			Yes
	Chengdu Corpro Technology Co., Ltd., and Sichuan Mingxing Electric Power Co., Ltd.	Independent Director			Yes
	Sichuan Dandan Pixian Bean Paste Group Co., Ltd.	Outside Director			Yes
Hou Shuiping	Sichuan Academy of Social Sciences	Research Fellow and Postdoctoral Co-supervisor			Yes
	Sichuan Yahua Industrial Group Co., Ltd., and Sichuan Shudao Equipment & Technology Co., Ltd.	Independent Director			Yes
Luo Huawei	Sichuan Agricultural University	Professor			Yes
	Ya'an Development Investment Co., Ltd.	Outside Director			Yes
	Sichuan Yahua Industrial Group Co., Ltd., and D&O Home Collection Group Co., Ltd.	Independent Director			Yes

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who resigned in the Reporting Period:

Applicable  Not applicable

### 3. Remunerations of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remunerations for directors, supervisors and senior management:

#### (1) Decision-making procedure

In accordance with the relevant rules of the higher organization and the Company, the remuneration plan for the senior management of the Company is formulated, then submitted to the Remuneration and Appraisal Committee under the Board of Directors for review, and then finalized by the Board of Directors.

#### (2) Basis for the determination of remunerations

In accordance with the relevant rules, the remunerations for directors, supervisors and senior management are determined upon appraisal.

#### (3) Actual payments

Part of the base pay is given on a monthly basis, and part of the performance-related pay is given within the year.

Remunerations of directors, supervisors and senior management during the Reporting Period

Unit: RMB'0,000

Name	Gender	Age	Office title	Employment	Total before-tax remunerations	Paid by any related party or not
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				status	from the Company	
Zeng Congqin	Male	55	Chairman of the Board	Incumbent	61.83	No
Jiang Wenge	Male	57	Vice Chairman of the Board and General Manager	Incumbent	61.83	No
Zhang Yu	Male	49	Vice Chairman of the Board	Incumbent	55.52	No
Xu Bo	Female	56	Director	Incumbent	0	Yes
Xiao Hao	Male	47	Director	Incumbent	55.52	No
Xie Zhihua	Male	64	Independent Director	Incumbent	10	No
Wu Yue	Male	57	Independent Director	Incumbent	10	No
Hou Shuiping	Male	68	Independent Director	Incumbent	10	No
Luo Huawei	Male	54	Independent Director	Incumbent	10	No
Liu Ming	Male	53	Chairman of the Supervisory Committee	Incumbent	75.52	No
Wu Guoping	Male	54	Employee Supervisor	Incumbent	68.66	No
Zhang Qing	Male	58	Employee Supervisor	Incumbent	87.92	No
Yang Yunxia	Female	52	Chief Engineer	Incumbent	55.52	No
Jiang Jia	Male	49	Deputy General Manager	Incumbent	55.52	No
			Chief Economist	Former		
Xie Zhiping	Male	55	Acting CFO	Incumbent	55.52	No
			CFO	Former		
Yue Song	Male	51	Deputy General Manager	Incumbent	55.64	No
Li Jian	Male	49	Deputy General Manager	Incumbent	55.52	No
Zhang Xin	Male	54	Deputy General Manager and Board Secretary	Incumbent	13.97	No
			Supervisor	Former	0	Yes
Jiang Lin	Female	44	Director, Deputy General Manager and Board Secretary	Former	52.56	No
Liang Li	Female	53	Director	Former	0	Yes
Liu Yang	Male	45	Deputy General Manager	Former	55.52	No
Total	--	--	--	--	906.57	--

Notes: 1. Remunerations of directors, supervisors and senior management are accounted for and disclosed on an accrual basis.

2. Mr. Liu Ming was named China Liquor Brewing Master and received a special financial subsidy of RMB200,000 from the government of Yibin City to support the development of the baijiu talent team.

3. Mr. Zhang Xin was appointed as a member of the CPC Committee and Deputy General Manager of the Company in September 2023 and has been receiving remuneration from the Company since October.

## VI Activities of Directors during the Reporting Period

### 1. Board Meetings Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Resolutions
The First Meeting of the Sixth Board of Directors in 2023	18 January 2023	N/A	The Proposal on the Implementation of the Tenure System and Contractual Management of the Company's Managerial Members, and the Proposal on the Title of Exclusive Partner of Interactive Prizes of the CCTV 2023 Spring Festival Gala were



			approved.
The Second Meeting of the Sixth Board of Directors in 2023	22 February 2023	N/A	The Proposal on the Revisions of the Systems for Major Decisions, Appointment and Removal of Important Personnel, Arrangement of Major Projects and Operation of Large Amounts of Funds was approved.
The Third Meeting of the Sixth Board of Directors in 2023	3-7 March 2023	9 March 2023	See Announcement 2023/No. 001
The Fourth Meeting of the Sixth Board of Directors in 2023	27 April 2023	29 April 2023	See Announcement 2023/No. 004
The Fifth Meeting of the Sixth Board of Directors in 2023	15-19 May 2023	N/A	The Proposal on the Donation Agreement between the Company and the Education Development Foundation of South China University of Technology in Guangdong Province was approved.
The Sixth Meeting of the Sixth Board of Directors in 2023	25-29 May 2023	31 May 2023	See Announcement 2023/No. 018
The Seventh Meeting of the Sixth Board of Directors in 2023	24 August 2023	26 August 2023	See Announcement 2023/No. 022
The Eighth Meeting of the Sixth Board of Directors in 2023	25 September 2023	26 September 2023	See Announcement 2023/No. 025
The Ninth Meeting of the Sixth Board of Directors in 2023	26 October 2023	N/A	See Announcement 2023/No. 026
The 10th Meeting of the Sixth Board of Directors in 2023	4-8 December 2023	9 December 2023	See Announcement 2023/No. 029
The 11th Meeting of the Sixth Board of Directors in 2023	19-20 December 2023	20 December 2023	See Announcement 2023/No. 031
The 12th Meeting of the Sixth Board of Directors in 2023	29 December 2023	30 December 2023	See Announcement 2023/No. 032

## 2. Attendance of Directors at Board Meetings and General Meetings of Shareholders

Attendance of directors at board meetings and general meetings of shareholders							
Director	Total number of board meetings the director was supposed to attend	Board meetings attended on site	Board meetings attended by way of telecommunication or circulation	Board meetings attended through a proxy	Board meetings the director failed to attend	The director failed to attend two consecutive board meetings or not	General meetings of shareholders attended
Zeng Congqin	12	2	10	0	0	No	1
Jiang Wenge	12	2	10	0	0	No	1
Zhang Yu	12	2	10	0	0	No	1
Liang Li	12	2	10	0	0	No	1
Xu Bo	12	2	10	0	0	No	1
Xiao Hao	12	2	10	0	0	No	1
Jiang Lin	8	2	6	0	0	No	1
Xie Zhihua	12	0	12	0	0	No	1
Wu Yue	12	2	10	0	0	No	1
Hou Shuiping	12	1	11	0	0	No	0
Luo Huawei	12	1	11	0	0	No	1

Explanation of why any director failed to attend two consecutive board meetings:

Not applicable.

### 3. Objections Raised by Directors on Matters of the Company

Indicate whether any director raised any objections on any matter of the Company.

Yes  No

No such cases in the Reporting Period.

### 4. Other Information about the Activities of Directors

Indicate whether any recommendation from directors was adopted by the Company.

Yes  No

Explanation on adoption/rejection of recommendations of directors:

During the Reporting Period, in strict compliance with the applicable laws, regulations and the Articles of Association, the directors of the Company performed their duties diligently, providing professional opinion or recommendations for business decisions of the Company. They have played their part in protecting the legitimate rights and interests of the Company and its shareholders.

### VII Activities of Special Committees under the Board of Directors during the Reporting Period

Committee	Members	Number of meetings convened	Date of meeting	Contents	Important opinion and suggestions	Other work done	Particulars about objections (if any)
The Strategy Committee	Zeng Congqin Jiang Wenge Zhang Yu Xiao Hao Xie Zhihua	2	20230628	Studying the spirit of the Third Plenary Session of the 12th CPC Sichuan Provincial Committee, and the Action Plan for Deepening and Upgrading the Reform of State-owned Enterprises (2023-2025)	None	None	None
			20231220	The committee mainly studied the Opinion on Supporting the High-Quality Development of Wuliangye Group issued by the CPC Yibin Municipal Committee and the Yibin Municipal People's Government, and received briefings on the progress of the Company's high quality and fast growth programme.	None	None	None
The Comprehensive Budget Management Committee	Zeng Congqin Jiang Wenge Jiang Lin	2	20230421	Review of the 2023 budgeting plan Result: approved	None	None	None
	Zeng Congqin Jiang Wenge		20231023	Review of the 2023 budget adjustment plan Result: approved	None	None	None
The Audit Committee	Zeng Congqin Luo Huawei Xu Bo Wu Yue Hou Shuiping	6	20230112	Urging the audit of the 2022 annual financial statements	None	None	None
			20230116	Reviewing the summary financial statements of 2022, and providing written review opinion	None	None	None
			20230223	Reviewing the 2022 annual financial statements, and providing written review opinion	None	None	None
			20230424	Reviewing the Proposal on the Re-appointment of the CPA Firm for 2023, the Summary of the Audit on the Financial Statements and Internal Control of 2022, the Independent Auditor's Reports on the Financial Statements and Internal Control of 2022, the 2022 Internal Control	None	None	None

				Assessment Report, the Deposit and Use of Raised Funds in 2022, and the First Quarterly Report 2023 Result: approved			
			20230822	Reviewing the Interim Report 2023 Result: approved	None	None	None
			20231021	Reviewing the Third Quarterly Report 2023 Result: approved	None	None	None
The Nomination Committee	Zeng Congqin Jiang Wenge Hou Shuiping Luo Huawei Wu Yue	1	20230922	Reviewing the Proposal on Adjustments to Directors of the Sixth Board of Directors, and the Proposal on Adjustments to Senior Management Result: approved	None	None	None
The Remuneration and Appraisal Committee	Wu Yue Liang Li Luo Huawei	2	20230118	Reviewing the settlement of senior management's 2021 annual remunerations, the settlement of tenure incentives for 2019-2021, and the prepayment of part of the 2022 annual performance-based remunerations for some senior management Result: approved	None	None	None
			20230712	Reviewing the proposed 2023 remuneration payouts for senior management Result: approved	None	None	None

## VIII Activities of the Supervisory Committee

Indicate whether the Supervisory Committee identified any risk to the Company during its supervision in the Reporting Period.

Yes  No

The Supervisory Committee raised no objections with respect to matters of the Company.

## IX Employees

### 1. Number, Functions and Educational Backgrounds of Employees

Number of in-service employees of the Company as the parent at the period-end	16,911
Number of in-service employees of major subsidiaries at the period-end	8,207
Total number of in-service employees at the period-end	25,118
Total number of paid employees in the Reporting Period	25,118
Number of retirees to whom the Company as the parent and its major subsidiaries need to pay retirement pensions	317
Employees by function	
Function	Number of employees
Production	18,725
Sales	1,181
Technical	4,030
Financial	195
Administrative	987
Total	25,118
Employees by educational background	

Educational background	Number of employees
Junior college and beyond	7,090
High school to junior college (exclusive)	10,926
Middle school and below	7,102
Total	25,118

## 2. Remuneration Policy

The remuneration policies 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), and the Company's Interim Provisions on Wage Management and the Trial Measures for the Management of Total Wages of Subsidiaries.

## 3. Training Plans

In 2023, trainings organized by the Company centered on the strategic objective of high quality development, focused on the building of the talent team and strengthened the foundation of innovation and development. The Company carried out hierarchical and classified trainings with rich contents and by flexible means, enhancing the planning, pertinency and effectiveness of training.

In 2024, based on the new development stage, the Company will vigorously promote internal education. We plan to conduct 618 sessions of training through on-the-job training, skills training, and study for the promotion of professional titles. It is expected to train more than 85,000 persons, cultivating talents in innovative, compound, and applied fields that meet the development needs of Wuliangye through comprehensive, multi-angle, and advanced scientific paths.

## 4. Labor Outsourcing

Applicable  Not applicable

During 2023, the Company and its major majority-owned subsidiaries outsourced carriage, loading and unloading, temporary work, etc., for which they paid RMB317 million in total.

## X Profit Distributions in the Form of Cash and/or Shares

The formulation, implementation and amendments to the profit distribution policy, especially the cash dividend policy, in the Reporting Period:

Applicable  Not applicable

According to the 2022 Final Dividend Plan approved at the 2022 Annual General Meeting of Shareholders, the Company declared a cash dividend of RMB37.82 (tax inclusive) per 10 shares to shareholders based on the total 3,881,608,005 shares held by them. The independent directors issued their opinion on the final dividend plan, which was approved by the Board of Directors and then at the general meeting of shareholders. This final dividend plan has been carried out.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of general meeting of shareholders	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
If the Company has no dividend plan, it should disclose the specific reasons and the next steps it intends to take to enhance investor returns	N/A
Non-controlling shareholders are able to fully express their opinion and desire and their legal rights and interests are fully protected	Yes
In case of adjusting or altering the cash dividend policy, the conditions and procedures involved are in compliance with applicable regulations and transparent	Yes

Indicate whether the Company fails to put forward a cash dividend plan despite the facts that the Company has made profit in the Reporting Period and the profit of the Company as the parent distributable to shareholders is positive.

Applicable  Not applicable

Final dividend plan for the Reporting Period:

Applicable  Not applicable

Bonus issue from profit (share/10 shares)	0
Cash dividend/10 shares (RMB) (tax inclusive)	46.70
Share base (share)	3,881,608,005
Cash dividends (RMB) (tax inclusive)	18,127,109,383.35
Cash dividends in other forms (such as share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	18,127,109,383.35
Distributable profit (RMB)	58,190,914,311.61
Total cash dividends (including those in other forms) as % of the total profit to be distributed	100.00%
Applicable cash dividend policy	
Where the Company is at a mature stage of development and has any substantial spending plan, total cash dividends shall account for at least 40% of the total profit to be distributed.	
Final dividend plan in detail	
As the 2023 final dividend plan, the Company intends to pay a cash dividend of RMB46.70 (tax inclusive) per 10 shares to shareholders based on the total share capital at the record date for the dividend payout, with the total amount to be distributed amounting to RMB18,127,109,383.35; and no bonus issue will be carried out, either from profit or capital reserves.	

## XI Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

Applicable  Not applicable

### 1. Equity Incentives

Not applicable.

Equity incentives received by directors and senior management:

Applicable  Not applicable

Appraisal mechanism and incentives for senior management:

See “Part IV, V, 3. Remunerations of Directors, Supervisors and Senior Management” herein.

### 2. Employee Stock Ownership Plans

Applicable  Not applicable

Outstanding employee stock ownership plans during the Reporting Period:

Scope of employees	Number of employees	Total number of shares held under the plans	Change	As % of the total share capital of the Company	Funding source
Employees covered by the plans	2,428	23,696,280	None	0.61%	Self-pooled

Shareholdings of directors, supervisors and senior management under employee stock ownership plans during the Reporting Period:

In April 2018, the Company carried out an employee stock ownership plan through a private placement, and certain in-service directors, supervisors and senior management participated in the employee stock ownership plan. By the end of the Reporting Period, non-transaction transfers had been completed.

Change of the asset management agency during the Reporting Period:

Applicable  Not applicable

Equity changes incurred by the disposal of shares by any holder, etc. during the Reporting Period:

Applicable  Not applicable

Exercise of shareholder rights during the Reporting Period:

Applicable  Not applicable

Other information about the employee stock ownership plans during the Reporting Period:

Applicable  Not applicable

As approved at the 12th Meeting of the Sixth Board of Directors in 2023, the duration of the employee stock ownership plan has been agreed to be extended to 31 December 2026.

Changes to members of the management committees of employee stock ownership plans:

Applicable  Not applicable

The financial impact of employee stock ownership plans on the Company and the relevant accounting treatments during the Reporting Period:

Applicable  Not applicable

Termination of employee stock ownership plans during the Reporting Period:

Applicable  Not applicable

Other information: None.

### 3. Other Incentive Measures for Employees

Applicable  Not applicable

## XII Establishment and Implementation of Internal Controls during the Reporting Period

### 1. Establishment and Implementation of Internal Controls

In 2023, in accordance with the applicable laws and regulations such as the Company Law of the People's Republic of China, the Basic Criteria of Enterprise Internal Control jointly promulgated by five ministries and commissions including the China Securities Regulatory Commission, and the Guidelines on the Compliance of the Operation of Listed Companies issued by the Shenzhen Stock Exchange, the Company continuously established institutional norms for Party building, business operation, risk control and post-event supervision, and continued to improve the internal control system. The Company improved the content related to Party building in its Articles of Association. Major operational and management matters are subject to pre-study by the Party Committee, and the Board of Directors or the management team makes decisions according to their respective powers and prescribed procedures, fully exerting the leadership role of the Party Committee in setting directions, overall planning, and ensuring implementation.

To further strengthen the establishment of the Company's internal control system and ensure the comprehensiveness and applicability of the Company's internal control manual, each unit of the Company updated relevant internal control measures in accordance with national regulations and business development needs. After review, in 2023, the Company updated 23 internal control management regulations, abolished 2, and added 34 new ones. As per the relevant requirements, the Company conducts internal control self-assessment with full participation every year. It set up steering groups for internal control self-assessment to guide a total of 57 units including workshops, functional departments and subsidiaries to carry out internal control self-assessment work and at the same time, set up groups for random inspection of internal control to conduct random inspection on the construction and implementation of the Company's internal control system, focused on major business segments such as procurement, sales, and production, evaluated the rationality of the design and the effectiveness of the operation of the internal control system, so as to continuously optimized internal control. The evaluation results showed that no material and significant deficiency was identified in the internal control system.

In the future, the Company will continue to strengthen internal control training, reinforce the awareness of compliance in operation, enhance the risk prevention capability and effectively promote the steady implementation of its strategies.

### 2. Material Defects in Internal Control Identified during the Reporting Period

Yes  No

## XIII Management and Control of Subsidiaries during the Reporting Period

None.

## XIV Assessment Report or Independent Auditor's Report on Internal Control

### 1. Assessment Report on Internal Control

Date of full disclosure of the internal control assessment report	29 April 2024	
Index of full disclosure of the internal control assessment report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>	
Ratio of the total assets of the organizations included in the assessment to the Company's consolidated total assets	100.00%	
Ratio of the operating revenue of the organizations included in the assessment to the Company's operating revenue in the consolidated financial statements	100.00%	
Deficiency identification criteria		
Category	Financial report	Non-financial report
Qualitative criteria	<p>1. Material deficiencies: (1) correction by the Company of the financial statement which have been published. (2) major misstatements found by the external auditor in current financial statements which have not been identified. (3) corrupt practice of directors, supervisors, and officers found by the external auditor. (4) ineffective supervision of internal control by the Company's internal audit department. (5) material deficiencies previously found but were not corrected within a reasonable period or were ineffectively corrected.</p> <p>2. Significant deficiencies: (1) failure to select and apply accounting policies in accordance with generally accepted accounting policies. (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. General deficiencies: deficiencies other than material deficiencies and significant deficiencies are recognized as general deficiencies.</p>	<p>1. Material deficiencies: (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 existing but ineffective operation of institutional guidance for internal control of important economic business. (5) failure to correct material deficiencies within a reasonable period.</p> <p>2. Significant deficiencies: (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) deficiency in important business mechanism or system.</p> <p>3. General deficiencies: deficiencies in internal control other than material deficiencies and significant deficiencies are general deficiencies.</p>
Quantitative criteria	<p>1. Material deficiencies: 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. Significant deficiencies: 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. General deficiencies: misstatement amount ≤1% of total operating revenue; misstatement amount ≤5% of net profit; misstatement amount ≤1% of total assets.</p>	<p>1. Material deficiencies: proportion of loss to net profit ≥5%.</p> <p>2. Significant deficiencies: 3% ≤ proportion of loss to net profit &lt;5%.</p> <p>3. General deficiencies: proportion of loss to net profit &lt;3%.</p>
Number of material deficiencies in financial reports		0
Number of material deficiencies in non-financial reports		0
Number of significant deficiencies in financial reports		0
Number of significant deficiencies in non-financial reports		0

**2. Independent Auditor's Report on Internal Control**

Applicable  Not applicable

Opinion paragraph	
Sichuan Huaxin (Group) CPA (LLP) is of the opinion that the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2023, based on the Basic Rules on Enterprise Internal Control and other applicable regulations.	
Report disclosed or not	Disclosed
Disclosure date	29 April 2024
Index to the disclosed report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Type of opinion	Unmodified unqualified opinion
Material defects in internal control not related to financial reporting	N/A

Indicate whether any modified opinion is expressed in the Independent Auditor's Report on Internal Control.

Yes  No

Indicate whether the Independent Auditor's Report on Internal Control is consistent with the internal control self-assessment report issued by the Company's Board of Directors.

Yes  No

**XV Remediation of Problems Identified by Self-inspection in the Special Action on the Governance of Listed Companies**

Completed.



## Part V Environmental and Social Responsibility

### I Major Environmental Issues

Indicate whether the Company or any of its subsidiaries was identified as a major polluter by environmental authorities.

Yes  No

#### 1. Policies and Industry Standards on Environmental Protection

The Company has identified 204 laws, regulations, rules, and standards on environmental protection, such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Promoting Clean Production, the Law of the People's Republic of China on Water Pollution Prevention and Control, the Law of the People's Republic of China on Atmospheric Pollution Prevention and Control, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, the Discharge Standard of Water Pollutants for Fermentation Alcohol and Distilled Spirits Industry, the Technical Specifications for Brewing Industry Wastewater Treatment, and the Discharge Standard of Water Pollutants in the Minjiang and Tuojiang River Basis, formulated 16 policies on corporate environmental protection management, and developed the relevant internal control standards Brewery Wastewater Discharge Standards, which are stricter than the statutory requirements. And the Company ensures that all environmental protection concepts and requirements are implemented into every aspect of daily production and operation activities.

#### 2. Administrative Licenses of Environmental Protection

The Company was granted the pollutant discharge license valid between November 2019 and November 2024 in accordance with the national pollutant discharge license management regulations. 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. Additionally, all pollution governance facilities ran stably, and pollutants were discharged in compliance with standards, satisfying the requirement for total emission control.

#### 3. Industry Discharge Standards and Discharge of Pollutants in Production and Operation

Name of the Company or subsidiary	Type of major pollutants	Major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Governing discharge standards	Total discharge (metric ton)	Approved total discharge (metric ton)	Excessive discharge
The Company	Water pollutants	COD	Direct discharge	1	Discharge outlets at Wuliangye Ecological Wetland	38.01mg/l	Table 1 of the Discharge Standard of Water Pollutants in the Minjiang and Tuojiang River Basis (DB51/2311-2016)	105.37	132	None
		Ammonia nitrogen				1.58mg/l		1.77	9.9	None
		Total nitrogen				13.67mg/l		30.61	49.5	None
		Total phosphorus				0.45mg/l		0.88	1.65	None
	Air pollutants	Particulate matter	Organized and interm	18	Natural gas boilers (Phase I) 1#-9#	0.32 mg/m <sup>3</sup>	Table 3 of the Emission Standard of Air Pollutants for	0.17	N/A	None
			Natural gas	0.31mg/m <sup>3</sup>	0.18	8.88		None		

		intermittent discharge	10	boilers (Phase II) 10#-15#	0.49mg/m <sup>3</sup>	Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	0.06	3.54	None				
				Natural gas boilers (Phase III) 16#-18#									
				Hot water boilers 1#-5#						1.4 mg/m <sup>3</sup>	0.03	N/A	None
				Broken leaven outlets 1#-20#						1.74 mg/m <sup>3</sup>	0.05	N/A	None
				20						Grain processing outlets 1#-18#	18.43mg/m <sup>3</sup>	Table 2 of the Integrated Emission Standard of Air Pollutants (GB16297-1996)	9.82
18	Natural gas boilers (Phase I) 1#-9#	24.52mg/m <sup>3</sup>	10.44	N/A	None								
Air pollutants	Sulfur dioxide	Organized and intermittent discharge	18	Natural gas boilers (Phase I) 1#-9#	2.05mg/m <sup>3</sup>	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	1.38	N/A	None				
				Natural gas boilers (Phase II) 10#-15#	2.25 mg/m <sup>3</sup>		0.93	3.72	None				
				Natural gas boilers (Phase III) 16#-18#	1.83mg/m <sup>3</sup>		0.37	1.47	None				
				10	Hot water boilers 1#-5#		Not detected	0.0004	0.15	None			
				Hot water boilers 6#-10#	Not detected		0.0005	N/A	None				
Air pollutants	Oxynitride	Organized and intermittent discharge	18	Natural gas boilers (Phase I) 1#-9#	76.91mg/m <sup>3</sup>	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	47.39	92.5	None				
				Natural gas boilers (Phase II) 10#-15#	79.90mg/m <sup>3</sup>		33.49	50.3	None				
				Natural gas boilers (Phase III) 16#-18#	74.75mg/m <sup>3</sup>		11.26	20.1	None				
				10	Hot water boilers 1#-5#		92.53mg/m <sup>3</sup>	0.1	0.5	None			
				Hot water boilers 6#-10#	94.88mg/m <sup>3</sup>		0.1	1.1	None				

#### 4. Treatments of Pollutants

(1) The Company has three wastewater pretreatment stations and one wastewater advanced treatment zone in the Jiangbei industrial park, using biochemical treatment and Fenton treatment technology for wastewater treatment, with a daily capacity of 10,000 tons. The advanced treated tailwater in compliance with the applicable standards is discharged after being further purified by ecological wetlands. The system is functioning normally.

(2) At present, the Company has built 18 20t/h natural gas boilers in the Jiangbei industrial park and put them into operation, which adopt the advanced low-NOx combustion technology from Germany. The system is functioning normally. The leaven production line and the grain processing production line are equipped with bag-type dust collectors, which are also functioning normally.

#### 5. Contingency Plan for Environmental Emergencies

In December 2023, the Company formulated and issued the Contingency Plan on Unexpected Environmental Events in Yibin City Wuliangye Industrial Park, Contingency Plan on Unexpected Environmental Events of Wuliangye Yibin Co., Ltd., Contingency Plan on Unexpected Environmental Events of Wuliangye Yibin Co., Ltd. (Special Plan for Baijiu Storage Tanks), and Contingency Plan on Unexpected Environmental Events of Wuliangye Yibin Co., Ltd. (Special Plan for Wastewater). Concurrently, updates were made to the risk assessment reports and environmental contingency resource survey reports for environmental emergencies.

#### 6. Environmental Self-Monitoring Plan

In strict compliance with the Self-monitoring and Information Disclosure Measure for National Key Monitoring Enterprises (Trial) (H.F. [2013] No. 81) and the emission permits, the Company discloses its self-monitoring plans, annual reports and self-monitoring data to the public on the national pollutant source monitoring

information management and sharing platform. A total of 217,300 self-monitoring data were published from January to December 2023.

#### **7. Spending on Environmental Protection and Payment of Environmental Protection Tax**

The Company spent a total of approximately RMB250 million on environmental protection projects and pollution control facilities and paid environmental protection tax of RMB567.7 thousand.

#### **8. Measures Taken to Reduce Carbon Emissions in the Reporting Period and the Results**

Applicable  Not applicable

The Company uses biogas generated from wastewater treatment to generate electricity with approximately 7.24 million kWh of electricity generated per year in this way, reducing greenhouse gas emissions by approximately 3,806 tons.

#### **9. Administrative Penalties Imposed for Environmental Issues during the Reporting Period**

None.

#### **10. Other Environmental Information that should Be Disclosed**

In strict compliance with the Administrative Measures for the Legal Disclosure of Enterprise Environmental Information (Order No. 24 of the Ministry of Ecology and Environment), the Company disclosed environmental information through the Management System of Sichuan Province for the Legal Disclosure of Corporate Environmental Information. In 2023, a total of five interim reports were disclosed, primarily involving changes in ecological and environmental administrative permits.

#### **11. Other Environmental Information**

(1) The Company conducted internal audits of the environmental management system and energy management system. In accordance with the requirements of the management systems, a third-party organisation was hired to conduct external supervisory audits of the Company's energy management system and environmental management system, and certificates were obtained.

(2) The Company conducted internal checks on greenhouse gas emissions in 2023.

### **II Corporate Social Responsibility (CSR)**

For details, please refer to the Environmental, Social and Governance Report 2023 disclosed by the Company on 29 April 2024.

### **III Efforts in Poverty Alleviation and Rural Revitalization**

2023 was the first year for implementing the guiding principles of the 20th CPC National Congress on all fronts and a pivotal year for implementing the "14th Five-Year Plan". As a large state-owned enterprise, in accordance with provincial and municipal arrangements, the Company supported and assisted Litang County in Ganzi Prefecture and provided paired assistance to Yingxiong Village, Qingping Yi Ethnic Township, Pingshan County, Yibin City. The Company's Party Committee resolutely fulfilled its political responsibilities, continuously improved assistance mechanisms, specifically studied, researched, and deployed assistance work, and members of the leadership team conducted several in-depth investigations and guidance visits to the assisted areas. Solid progress was made in assistance matters, earning recognition as the "Best Practice Case in Rural Revitalisation" by the Listed Companies Association and being selected as a case for the CCTV Global Social Responsibility Rural Revitalisation Exhibition. The assisting officials were honoured as outstanding resident village work team members in the province and outstanding individuals in ethnic unity in the city, contributing to the successful establishment of "Civilised Demonstration Villages", "Six No" Safe Villages, advanced collective units in Party building work, top ten villages in collective economic development, advanced collective units in educational work, and advanced collective villages in rural revitalisation.

#### **(I) Strengthened base construction and the effective development of featured industries**

Firstly, the Company established a high-mountain specialty tea base. In Pingshan County, the Company, based on the local industrial foundation and the development aspirations of the masses, donated funds for industrial development and fully established a 200-mu "High-mountain Organic Tea Garden Demonstration Base". In 2023, 350,000 tea seedlings were planted, forming a radiation belt for the high-mountain tea industry. Secondly, the Company constructed highland fruit and vegetable bases. In Litang County, the Company fully stimulated the industrial hematopoietic function of the assisted villages, strengthened the standardised operation and management of Wuliangye Polar Fruit and Vegetable (Mushroom) Base, orderly advanced production and supply, cooperated with the "Hema Fresh" platform to expand market sales channels, and the base's production drove local employment for 25 people. The "Vegetable Basket" Vegetable Supply Base continued its project improvement efforts in 2023, upgrading 25 facility vegetable greenhouses, enhancing water and fertilizer integration facilities, constructing a 200-square-meter agricultural product sorting centre, and supporting

refrigeration equipment.

### **(II) Conducted consumption assistance for sustainable income increase among poverty-alleviated masses**

Firstly, the Company promoted internal sales. In 2023, the Company effectively organised events such as the Spring Festival centralised procurement and agricultural special sales, contributing to a total sales revenue of over RMB14.3 million for local products throughout the year. This directly boosted the collective economic income of Hero Village in Pingshan County by over RMB1.9 million, with an economic net profit of nearly RMB200,000. Additionally, Mayan Village in Litang County achieved sales revenue of over RMB2.6 million, with dividends for the masses exceeding RMB210,000. Secondly, the Company helped to expand external markets. Adhering to market orientation, leveraging the Company's brand advantages and channel strengths, through the external and internal connection and online and offline combination, consumption assistance became an important "engine" for rural revitalisation and common prosperity. At the Rural Revitalisation Technology and Skills Competition Trade Show for Special Agricultural Products and Sichuan Goods E-commerce Festival, the Company promoted and sold assisted products such as Litang County's mushrooms, honey from Pingshan County, and bamboo shoots. In Litang County, the Company established the country's first organic Tibetan mushroom "Hema Village". The sales revenue of Tibetan mushrooms in Hema MAX stores nationwide exceeded RMB1.7 million, both online and offline.

### **(III) Strengthened organisational construction for solid rural governance**

Firstly, the Company consolidated the Party branch pairing. Adhering to high-quality Party building leading grassroots governance efficiency, the Company's Cultural and Tourism Company Party General Branch under the Party Committee paired with the Naisha Village Party Branch in Mula Town, Litang County, for mutual construction. A normalised Party building guidance group was stationed in the village, supporting primary-level Party building, reserve force cultivation, and capacity enhancement. Efforts were made to jointly build organisational positions, share Party member education, coordinate activity organisation, jointly serve the people, and operate an efficient mechanism for scientific development and mutual benefits. Secondly, the Company strengthened position construction. The Company's resident work team coordinated special funds of over RMB0.3 million for assistance, upgrading the Hero Village Party building position, improving its functions, and striving to build a county-level Party building work demonstration site. The assisting officials strictly implemented the regulations of "Three Sessions and One Class", democratic life meetings, and heart-to-heart talks, helping to cultivate active Party members in assisted villages, develop young Party members, and reserve backup cadres, further addressing the aging issue among rural Party members, laying a solid foundation for the "two committees" to play their role as strongholds.

### **(IV) Concentrated on education and training for strengthening intellectual support**

Firstly, the Company supported educational assistance. The Company continued to organise the "Wuliangye Education Fund" educational aid activity, allocating RMB2 million to reward and support students and educators in Yibin City, contributing to the local education sector's development with practical actions. Special educational aid funds were distributed to 41 disadvantaged college students in Qingping Yi Autonomous Township, Pingshan County and 20 in Litang County, supporting them in pursuing their dreams. A donation of RMB60,000 was made to provide nearly 300 students at Qingping Yi Ethnic Starbase Primary School with compassionate student assistance packages. Extensive efforts were made to mobilise social forces, organising caring activities at Starbase School in Pingshan County and donating over 2,500 sets (pieces) of study and living materials worth approximately RMB250,000. Secondly, the Company implemented rural talent training. Normalised activities such as farmer and herder night schools and technical training were conducted more than 20 times, covering over 500 participants, contributing to the cultivation of a group of "local experts" and "field talents".

### **(V) Improved public services and enhanced management efficiency**

Firstly, the Company improved facility construction. With over RMB9 million in fiscal appropriations and company donations, efforts were made to widen, upgrade, and harden two village roads, and maintain and manage basic supporting facilities such as water, electricity, networks, and pipelines in assisted villages, addressing local infrastructure shortcomings. Secondly, the Company provided assistance to the needy. Resident officials actively coordinated assistance, arranging subsidies for over 30 migrant workers, securing industrial development funds for 25 impoverished households to develop industries such as farming and animal husbandry. Comfort packages and condolences worth over RMB100,000 were distributed to elderly, disabled, and left-behind children. Over 20 disputes and practical issues were resolved for the people. Thirdly, the Company enhanced emergency response capabilities. By establishing fire emergency firefighting teams, flood control emergency groups, and earthquake relief emergency rescue teams in assisted villages, corresponding emergency plans were formulated. Regular disaster prevention and mitigation drills were organised for villagers, and various emergency equipment and

materials, totaling 342 sets (pieces), were donated by the Company's basic militia team, further enhancing the emergency response capabilities of assisted villages.

**(VI) Promoted civilised rural customs and continuous progress in spiritual civilisation**

Firstly, the Company supported ethnic cultural project construction. In 2023, the Company donated RMB1 million to support the construction of the "Wuliangye Torch Square" in Qingping Yi Autonomous Township, enriching the cultural life of the masses, fostering an atmosphere of diligence and enterprising spirit, and prospering rural culture. This aimed to cultivate a civilised village atmosphere, good family ethics, and simple folk customs, striving to build a benchmark for Yi culture revitalisation. Secondly, the Company carried out civilised rural activities. In the assisted areas, extensive campaigns promoting civilised rural customs were carried out, actively promoting the selection of good deeds and morality, clean family ethics, civilised families, and exemplary individuals, inheriting and promoting excellent traditional customs, curbing negative practices, and rectifying vices such as pornography, gambling, and drugs, guiding the masses to create a happy life through hard work. Last but not least, the Company facilitated civilization with its corporate culture. It encouraged villagers from the assisted villages to go to Wuliangye. Additionally, Wuliangye capitalized on the cultivation methods of the corporate culture to help the assisted villages refine and develop values and cultures that have a rich rustic flavour and will inspire people to work hard. Moreover, rustic culture publicity platforms were established to guide the abolishment of outmoded conventions and customs through healthy corporate culture.

## Part VI Significant Events

### I Fulfillment of Undertakings

#### 1. Undertakings of the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and other Entities Fulfilled in the Reporting Period or Ongoing at the Period-end

Applicable  Not applicable

Based on their confidence in the Company's prospects and recognition of its long-term investment value, Yibin Development Holding Group Co., Ltd. and Sichuan Yibin Wuliangye Group Co., Ltd. have voluntarily undertaken not to reduce their shareholdings in the Company in any way within one year from 24 August 2023, and the undertakings are being honoured continuously.

#### 2. Where there had been an earnings forecast for an asset or project and the Reporting Period was still within the forecast period, explain why the forecast has been reached for the Reporting Period.

Applicable  Not applicable

### II Occupation of the Company's Funds by the Controlling Shareholder or Any of Its Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

### III Irregularities in the Provision of Guarantees for External Parties

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Statement Made by the Board of Directors Regarding the Latest "Modified Opinion" of an Independent Auditor on Financial Statements

Applicable  Not applicable

### V Statements Made by the Board of Directors, the Supervisory Committee and the Independent Directors (if any) Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable  Not applicable

### VI Changes to Accounting Policies and Estimates and Correction of Material Accounting Errors Compared with Last Year

Applicable  Not applicable

For details, see "28. Changes to Significant Accounting Policies and Estimates" under "V Significant Accounting Policies and Accounting Estimates" of "Part X".

### VII Changes to the Scope of Consolidated Financial Statements Compared with Last Year

Applicable  Not applicable

As per the Three-year Action for the Reform of State-owned Enterprises at Provincial and Municipal Levels (2020~2022), in order to optimize the branch company and subsidiary allocation as a state-owned enterprise, the Company's subsidiary Huaibin Wubin Consultation Service Co., Ltd. has been de-registered in 2023.

As approved at the Eighth Meeting of the Sixth Board of Directors of 2023 dated 28 September 2023, the Company's wholly-owned subsidiary Sichuan Yibin Plastic Packaging Materials Company Limited has incorporated "Sichuan Yibin Jiang'an Plastic New Materials Co., Ltd." (hereinafter referred to as "Jiang'an Plastic"). Jiang'an Plastic has a registered capital of RMB50 million, and the Company owns 100% of Jiang'an Plastic.

### VIII Appointment and Dismissal of CPA Firm

Current CPA firm:



Name of the domestic CPA firm	Sichuan Huaxin (Group) CPA (LLP)
The Company's payment to the domestic CPA firm (RMB'0,000)	158
How many consecutive years the domestic CPA firm has provided audit service for the Company	23
Names of the certified public accountants from the domestic CPA firm writing signatures on the independent auditor's report	Li Wulin, Ye Juan, and Luo Guiqiu
How many consecutive years the certified public accountants have provided audit service for the Company	Li Wulin: 3 years Ye Juan: 4 years Luo Guiqiu: 3 years

Indicate whether the CPA firm was changed for the Reporting Period.

Yes  No

CPA firm appointed for the audit of internal control, as well as financial advisor or sponsor appointed:

Applicable  Not applicable

The Company re-appointed Sichuan Huaxin (Group) CPA (LLP) as the independent auditor for internal control of the Company in 2023, with a payment of RMB600,000.

### **IX Possibility of Delisting after the Disclosure of this Report**

Applicable  Not applicable

### **X Insolvency and Reorganization**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XI Significant Legal Matters**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XII Penalties and Rectifications**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XIII Credit Standings of the Company as well as Its Controlling Shareholder and Actual Controller**

Applicable  Not applicable

The Company as well as its controlling shareholder and actual controller were in good credit standing during the Reporting Period.

### **XIV Significant Related-Party Transactions**

#### **1. Continuing Related-Party Transactions**

Applicable  Not applicable

See "5. Related-Party Transactions" under "XIII Related Parties and Related-Party Transactions" of Part X.

#### **2. Related-Party Transactions Regarding Purchase or Sales of Assets or Equity Investments**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **3. Related-Party Transactions Regarding Joint Investments in Third Parties**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **4. Amounts Due to and from Related Parties**

Applicable  Not applicable

No such cases in the Reporting Period.

## 5. Transactions with Related Finance Companies

Applicable  Not applicable

Making deposits:

Related party	Relationship	Upper limit of daily deposit (RMB'0,000)	Range of interest rate	Opening balance (RMB'0,000)	Amount incurred in the current period		Closing balance (RMB'0,000)
					Total amount deposited (RMB'0,000)	Total amount withdrawn (RMB'0,000)	
Wuliangye Group Finance	Associate	4,790,000	0.42%~3.5%	3,504,433.17	2,190,976.19	1,665,455.61	4,029,953.75

Note: The amount incurred in the current period is presented on a net basis, which means such transactions are eliminated as the same company withdrawing a deposit and making another deposit of a different kind, or companies included in the consolidated financial statements making transfers via Wuliangye Group Finance.

Receiving loans:

The Company received no loans from Wuliangye Group Finance during the Reporting Period.

Receiving credit (inclusive of discounting) or other financial services:

Related party	Relationship	Type of business	Line (RMB'0,000)	Amount incurred (RMB'0,000)
Wuliangye Group Finance	Associate	Receiving credit	1,000,000	117,410.43

Note: On 19 April 2023, the Company and Sichuan Yibin Wuliangye Group Finance Co., Ltd. (Wuliangye Group Finance) signed a supplementary agreement to the Financial Service Agreement, agreeing to continue to implement in 2023 “the Financial Service Agreement signed between the Company and Wuliangye Group Finance on 2 April 2021”, i.e. the daily total balance of outstanding loans and unused credit with Wuliangye Group Finance shall not exceed RMB10 billion in 2023.

The “amount incurred” in the Reporting Period includes the discounted bank acceptance bills of RMB536.1401 million with Wuliangye Group Finance (undue bank acceptance bills as of 31 December 2023: RMB69.75 million) and the bank acceptance bills of RMB637.9642 million issued by Wuliangye Group Finance (undue bank acceptance bills as of 31 December 2023: RMB466.5011 million).

## 6. Transactions between Finance Companies Controlled by the Company and Related Parties

Applicable  Not applicable

No such cases in the Reporting Period.

## 7. Other Significant Related-Party Transactions

Applicable  Not applicable

No such cases in the Reporting Period.

## XV Significant Contracts and Execution

### 1. Entrustment, Contracting and Leases

#### (1) Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

#### (2) Contracting

Applicable  Not applicable

No such cases in the Reporting Period.

#### (3) Leases

Applicable  Not applicable

No such cases in the Reporting Period.

### 2. Significant Guarantees

Applicable  Not applicable

No such cases in the Reporting Period.



### **3. Cash Entrusted to Other Entities for Management**

#### **(1) Cash Entrusted for Wealth Management**

Applicable  Not applicable

No such cases in the Reporting Period.

#### **(2) Entrusted Loans**

Applicable  Not applicable

No such cases in the Reporting Period.

### **4. Other Significant Contracts**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XVI Other Significant Events**

Applicable  Not applicable

No such cases in the Reporting Period.

### **XVII Significant Events of Subsidiaries**

Applicable  Not applicable

In order to optimize the branch company and subsidiary allocation as a state-owned enterprise, the Company's subsidiary Huaibin Wubin Consultation Service Co., Ltd. has been de-registered in 2023.

As approved at the Eighth Meeting of the Sixth Board of Directors of 2023 dated 28 September 2023, the Company's wholly-owned subsidiary Sichuan Yibin Plastic Packaging Materials Company Limited has incorporated "Sichuan Yibin Jiang'an Plastic New Materials Co., Ltd." (hereinafter referred to as "Jiang'an Plastic"). Jiang'an Plastic has a registered capital of RMB50 million, and the Company owns 100% of Jiang'an Plastic.

## Part VII Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the current period (+/-)					After	
	Number of shares	As % of total shares	New issue	Bonus issue from profit	Bonus issue from capital reserves	Other	Subtotal	Number of shares	As % of total shares
I Restricted shares	82,098	0.00%				0	0	82,098	0.00%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	82,098	0.00%				0	0	82,098	0.00%
Of which: Shares held by domestic corporations									
Shares held by domestic individuals	82,098	0.00%				0	0	82,098	0.00%
4. Shares held by overseas investors									
Of which: Shares held by overseas corporations									
Shares held by overseas individuals									
II Unrestricted shares	3,881,525,907	100.00%				0	0	3,881,525,907	100.00%
1. RMB-denominated ordinary shares	3,881,525,907	100.00%				0	0	3,881,525,907	100.00%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III Total shares	3,881,608,005	100.00%						3,881,608,005	100.00%

Reasons for share changes:

 Applicable  Not applicable

Approval of share changes:

 Applicable  Not applicable

Transfer of share ownership:

Applicable  Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the latest year and the latest accounting period, respectively:

Applicable  Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable  Not applicable

## 2. Changes in Restricted Shares

Applicable  Not applicable

## II Issuance and Listing of Securities

### 1. Securities (Exclusive of Preference Shares) Issued in the Reporting Period

Applicable  Not applicable

### 2. Changes in Total Shares and Ownership Structure, as well as Asset and Liability Structures

Applicable  Not applicable

### 3. Existing Staff-Held Shares

Applicable  Not applicable

## III Shareholders and Actual Controller

### 1. Shareholders and Their Shareholdings at the End of the Reporting Period

Unit: share

Number of ordinary shareholders at the period-end	648,597	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	568,852	Number of preference shareholders with resumed voting rights at the period-end (if any) (see note 8)	0	Number of preference shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any) (see note 8)	0	
5% or greater shareholders or top 10 shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Shares
Yibin Development Holding Group Co., Ltd.	State-owned corporation	34.43%	1,336,548,020			1,336,548,020		
Sichuan Yibin Wuliangye Group Co., Ltd.	State-owned corporation	20.40%	791,823,343			791,823,343		
Hong Kong Securities Clearing Company Limited	Overseas corporation	4.51%	174,889,667	-52,677,563		174,889,667		

China Securities Finance Corporation Limited	Other	2.38%	92,385,936			92,385,936		
Bank of China Limited – China Merchants China Securities Baijiu Index Classification Securities Investment Fund	Other	1.47%	57,117,979	3,304,915		57,117,979		
Central Huijin Asset Management Co., Ltd.	State-owned corporation	1.01%	39,325,400			39,325,400		
Bank of China Limited – E Fund Blue Chip Selected Mixed Securities Investment Fund	Other	0.76%	29,380,000	-1,320,000		29,380,000		
China Life Insurance Company Limited – Traditional – General Insurance Product-005L-CT001 Shanghai	Other	0.61%	23,528,731	2,203,294		23,528,731		
Industrial and Commercial Bank of China Limited – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	Other	0.47%	18,429,500	-3,803,600		18,429,500		
Industrial and Commercial Bank of China Limited -Huatai Bairui CSI 300 Traded Open-ended Index Securities Investment Fund	Other	0.38%	14,612,209	6,648,608		14,612,209		
Strategic investor or general corporation becoming a top-10 shareholder in a rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders, Wuliangye Group is a wholly-owned subsidiary of Yibin Development Group. And the Company is not aware of any related or acting-in-concert parties among the other public shareholders.							
Shareholders above entrusting/entrusted with or waiving voting rights	N/A							
Repurchased share account (if any) among the top 10 shareholders (see note 10)	N/A							
<b>Top 10 unrestricted shareholders</b>								
Name of shareholder	Unrestricted shares held at the period-end	Shares by class						
		Class	Shares					
Yibin Development Holding Group Co., Ltd.	1,336,548,020	RMB-denominated ordinary shares		1,336,548,020				

Sichuan Yibin Wuliangye Group Co., Ltd.	791,823,343	RMB-denominated ordinary shares	791,823,343
Hong Kong Securities Clearing Company Limited	174,889,667	RMB-denominated ordinary shares	174,889,667
China Securities Finance Corporation Limited	92,385,936	RMB-denominated ordinary shares	92,385,936
Bank of China Limited – China Merchants China Securities Baijiu Index Classification Securities Investment Fund	57,117,979	RMB-denominated ordinary shares	57,117,979
Central Huijin Asset Management Co., Ltd.	39,325,400	RMB-denominated ordinary shares	39,325,400
Bank of China Limited – E Fund Blue Chip Selected Mixed Securities Investment Fund	29,380,000	RMB-denominated ordinary shares	29,380,000
China Life Insurance Company Limited – Traditional – General Insurance Product-005L-CT001 Shanghai	23,528,731	RMB-denominated ordinary shares	23,528,731
Industrial and Commercial Bank of China Limited – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	18,429,500	RMB-denominated ordinary shares	18,429,500
Industrial and Commercial Bank of China Limited - Huatai Bairui CSI 300 Traded Open-ended Index Securities Investment Fund	14,612,209	RMB-denominated ordinary shares	14,612,209
Related or acting-in-concert parties among top 10 unrestricted public shareholders, as well as between top 10 unrestricted public shareholders and top 10 shareholders	Among the top 10 shareholders, Wuliangye Group is a wholly-owned subsidiary of Yibin Development Group. And the Company is not aware of any related or acting-in-concert parties among the other public shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	N/A		

Top 10 shareholders involved in refinancing shares lending:

Applicable  Not applicable

Changes in top 10 shareholders compared with the prior period:

Applicable  Not applicable

Unit: share

Changes in top 10 shareholders compared with the end of the prior period					
Full name of shareholder	Newly added to or exiting from top 10 shareholders in the Reporting Period	Shares lent in refinancing and not yet returned at the period-end		Shares in the common account and credit account plus shares lent in refinancing and not yet returned at the period-end	
		Total shares	As % of total share capital	Total shares	As % of total share capital
Industrial and Commercial Bank of China Limited - Huatai Bairui CSI 300 Traded Open-ended Index Securities Investment Fund	Newly added	0	0.00%	14,612,209	0.38%
Agricultural Bank of China Limited – E Fund Consumer Sector Stock Investment Fund	Exiting	0	0.00%	13,400,365	0.35%

Indicate whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repurchase during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Controlling Shareholder

Nature of the controlling shareholder: controlled by a local state-owned organization

Type of the controlling shareholder: corporation

Name of the controlling shareholder	Legal representative/person-in-charge	Date of incorporation	Organization code	Principal activities
Yibin Development Holding Group Co., Ltd.	Han Chengke	4 August 1999	915115007118234259	Capital and asset operations as authorized by the People's Government of Yibin City
Interests held in other domestically and overseas listed companies in the Reporting Period	Yibin Development Group directly held 228,708,436 shares (or 17.57%) in Yibin Tianyuan Group Co., Ltd.; and indirectly held 79,368,520 shares (or 44.87%) in Yibin Paper Industry Co., Ltd.			

Change of the controlling shareholder in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

## 3. Actual Controller and Acting-in-Concert Parties

Nature of the actual controller: local state-owned assets management organization

Type of the actual controller: corporation

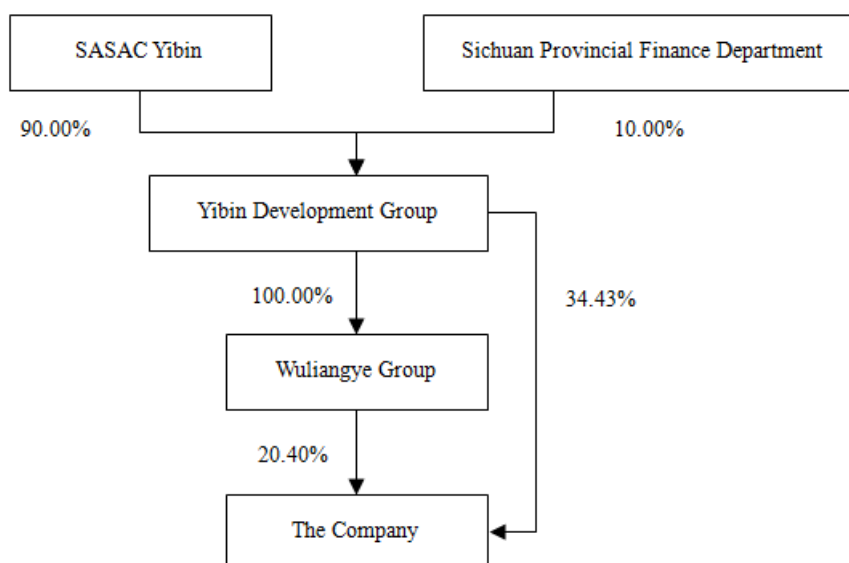
Name of the actual controller	Legal representative/person-in-charge	Date of incorporation	Organization code	Principal activities
The State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City	Xiang Junge	24 February 2005	N/A	N/A
Interests controlled in other domestically and overseas listed companies in the Reporting Period	SASAC Yibin indirectly held 228,708,436 shares (or 17.57%) in Yibin Tianyuan Group Co., Ltd.; and indirectly held 79,368,520 shares (or 44.87%) in Yibin Paper Industry Co., Ltd.			

Change of the actual controller in the Reporting Period:

Applicable  Not applicable

No such cases in the Reporting Period.

Illustration of the relationship between the actual controller and the Company:



Indicate whether the actual controller controls the Company via trust or other ways of asset management.

Applicable  Not applicable

**4. Indicate whether the cumulative number of shares held by the Company's controlling shareholder or the largest shareholder and its acting-in-concert parties that are in pledge accounts for over 80% of their total shareholdings in the Company.**

Applicable  Not applicable

**5. Other 10% or Greater Corporate Shareholders**

Applicable  Not applicable

Name of corporate shareholder	Legal representative/person-in-charge	Date of incorporation	Registered capital	Principal activities
Sichuan Yibin Wuliangye Group Co., Ltd.	Zeng Congqin	12 August 1998	RMB1,000,000,000	Investment and investment management, asset management, and business management services

**6. Restrictions on Shareholding Decrease by the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Undertaking Makers**

Applicable  Not applicable

**IV Share Repurchases in the Reporting Period**

Progress on any share repurchase:

Applicable  Not applicable

Progress on reducing the repurchased shares by way of centralized bidding:

Applicable  Not applicable

## **Part VIII Preference Shares**

Applicable  Not applicable

No preference shares in the Reporting Period.

## **Part IX Bonds**

Applicable  Not applicable



## Part X Financial Statements

### I Independent Auditor's Report

Type of the independent auditor's opinion	Unmodified unqualified opinion
Date of signing the independent auditor's report	24 April 2024
Name of the independent auditor	Sichuan Huaxin (Group) CPA (LLP)
Number of the independent auditor's report	Huaxin Audit (2024) No. 0009
Names of the certified public accountants	Li Wulin, Ye Juan, and Luo Guiqiu

#### Independent Auditor's Report

#### To the Shareholders of Wuliangye Yibin Co., Ltd.:

##### I Opinion

We have audited the financial statements of Wuliangye Yibin Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated and parent company (the Company as the parent exclusive of subsidiaries) balance sheets as at 31 December 2023, the consolidated and parent company statements of income, cash flows and changes in owners' equity for the year then ended, as well as the notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated and parent company financial position of the Company at 31 December 2023, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with China's Accounting Standards for Business Enterprises (CAS).

##### II Basis for Opinion

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

##### III Key Audit Matters

Key audit matters are matters that, based on our professional judgment, are deemed most important to the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified in our audit are as follows:

Key audit matters	Audit response
<b>(I) Existence and integrity of monetary assets</b>	
<p>Please refer to notes to financial statements "V. Notes to consolidated financial statements, 1. Monetary assets".</p> <p>As at 31 December 2023, the balance of monetary assets of the Company was RMB115,456.3009 million, accounting for 69.79% of the total assets. The safety of deposits and the accuracy and integrity of balance have great impact on the financial statements due to the large amount of balance of monetary assets and large number of bank accounts. Therefore, we consider the existence and integrity of monetary</p>	<p>With respect of monetary assets, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understood, tested, and evaluated key internal controls related to the management of monetary assets;</li> <li>2. Obtained list of bank accounts opened, and checked the books of the Company against the bank account information and integrity of the bank accounts;</li> <li>3. Obtained the bank statement and bank reconciliation for confirmation of the bank accounts, and controlled the process of confirmation;</li> <li>4. Supervised the originals of certificate of time deposit, and paid attention to the holders of certificate of time deposit and other information;</li> <li>5. Obtained credit report of the enterprise and checked whether the monetary assets 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 RMB40,299.5375 million in total; the deposit and loan business of Sichuan Yibin Wuliangye Group Finance Co.,</li> </ol>

assets as a key audit matter.	Ltd. was checked. We believe that the above audit procedures can support the management of the Company in their determination of the existence and integrity of monetary assets.
<b>(II) Recognition of operating revenue</b>	
<p>Please refer to notes to financial statement "V Notes to the Consolidated Financial Statements, 34. Operating revenue and cost of sales".</p> <p>The Company recorded operating revenue of RMB83,272.0673 million during 2023, which was the main source of the operating profit. And operating revenue is one of the key performance indicators. Therefore, we consider the recognition of operating revenue as a key audit matter.</p>	<p>With respect of operating revenue, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understood, tested, and evaluated key internal controls related to the recognition of operating revenue;</li> <li>2. Selected samples to examine sales contracts and identify contractual terms and conditions relating to the transfer of control of goods in order to evaluate whether the time of recognition of operating revenue meets the requirements of the CAS;</li> <li>3. Performed analytical review procedures to compare the key indicators such as sales volumes, unit sales prices, gross margins and major customers for the current period with the previous period to identify changes in key indicators and the reasonableness of the changes;</li> <li>4. Performed detail testing by selecting samples of the revenue and transactions of the principal operations recorded during the year and examining supporting documentation such as sales contracts or orders, release orders, delivery notes, customer sign-off records, sales invoices, etc. to evaluate the authenticity and accuracy of operating revenue recognition;</li> <li>5. Selected samples of sales transactions near the year-end and examined samples of relevant supporting documentation (including dispatch notes or customer acknowledgement of receipt) to assess whether operating revenue is recognised in the appropriate accounting period; and</li> <li>6. Selected samples of major distributors in conjunction with the audit of contract liabilities to perform correspondence procedures to verify the amount of operating revenue for the period and the closing balance of contract liabilities and verify the authenticity and accuracy of the amount of operating revenue recognized by management.</li> </ol> <p>We believe that the above audit procedures can support the management of the Company in their determination of the recognition of operating revenue.</p>

#### IV Other Information

The Company's management is responsible for the other information. The other information comprises all of the information included in the Company's 2023 Annual Report other than the financial statements and our auditor's report thereon.

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

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

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

#### V Responsibilities of Management and Those Charged with Governance for Financial Statements

The Company's management is responsible for the preparation of the financial statements that give a fair view in accordance with CAS, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### VI Auditor's Responsibilities for Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CAS 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 CAS, 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) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CAS to draw users' attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

(6) Obtain sufficient 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 Company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with 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's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sichuan Huaxin (Group) CPA (LLP)

Chengdu · China

Chinese certified public accountant: Li Wulin  
(engagement partner)

Chinese certified public accountant: Ye Juan

Chinese certified public accountant: Luo Guiqiu

24 April 2024

## II Financial Statements

Monetary unit for the financial statements and the statements in the notes thereto unless otherwise stated: RMB

### 1. Consolidated Balance Sheet

Prepared by Wuliangye Yibin Co., Ltd.

Item	31 December 2023	Unit: RMB
	31 December 2023	1 January 2023
Current assets:		
Monetary assets	115,456,300,910.64	92,358,426,975.79
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		119,918,307.60
Accounts receivable	42,647,461.48	35,686,942.32
Receivables financing	14,086,450,565.79	28,904,198,420.44
Prepayments	169,425,745.15	135,982,868.14
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	39,624,933.74	30,901,231.69
Of which: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	17,387,841,712.87	15,980,657,013.57
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets		
Total current assets	147,182,291,329.67	137,565,771,759.55
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,020,366,240.69	1,986,387,524.78
Other equity investments		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment property		
Fixed assets	5,189,917,302.17	5,312,971,445.61

Construction in progress	5,623,356,422.20	3,773,155,983.95
Productive living assets		
Oil and gas assets		
Right-of-use assets	126,810,315.49	380,922,885.84
Intangible assets	2,056,870,639.03	518,517,835.31
Development costs		
Goodwill	1,621,619.53	1,621,619.53
Long-term prepaid expense	163,120,023.86	158,586,327.06
Deferred income tax assets	2,242,610,567.82	2,140,289,194.58
Other non-current assets	824,817,224.29	972,502,674.97
Total non-current assets	18,250,690,355.08	15,246,155,491.63
Total assets	165,432,981,684.75	152,811,927,251.18
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	732,432,611.26	887,970,376.53
Accounts payable	8,864,206,997.09	7,246,802,709.58
Advances from customers	17,522,814.61	16,160,671.49
Contract liabilities	6,864,383,635.25	12,379,125,542.70
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	3,872,122,436.43	3,375,526,829.88
Taxes and levies payable	6,268,458,145.77	5,301,718,185.93
Other payables	5,385,776,903.69	4,631,434,915.43
Of which: Interest payable		
Dividends payable		13,191,392.99
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	14,512,448.92	375,682,599.77
Other current liabilities	663,723,991.63	1,544,723,419.34
Total current liabilities	32,683,139,984.65	35,759,145,250.65
Non-current liabilities:		

Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Lease liabilities	115,722,608.68	16,976,148.73
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	253,043,325.37	254,416,864.75
Deferred income tax liabilities	31,702,578.88	94,360,946.95
Other non-current liabilities		
Total non-current liabilities	400,468,512.93	365,753,960.43
Total liabilities	33,083,608,497.58	36,124,899,211.08
Owners' equity:		
Share capital	3,881,608,005.00	3,881,608,005.00
Other equity instruments		
Of which : Preference shares		
Perpetual bonds		
Capital reserves	2,682,647,086.15	2,682,647,086.15
Less: Treasury shares		
Other comprehensive income		
Specific reserve		
Surplus reserves	33,588,553,502.81	28,432,482,367.38
General reserve		
Retained earnings	89,405,432,446.55	79,031,159,753.65
Total equity attributable to owners of the Company as the parent	129,558,241,040.51	114,027,897,212.18
Non-controlling interests	2,791,132,146.66	2,659,130,827.92
Total owners' equity	132,349,373,187.17	116,687,028,040.10
Total liabilities and owners' equity	165,432,981,684.75	152,811,927,251.18

Legal representative: Zeng Congqin      Chief Financial Officer: Xie Zhiping      Head of the accounting department: Liu Hongxu

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2023	1 January 2023
Current assets:		
Monetary assets	60,323,450,012.71	51,104,448,387.06
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable		

Receivables financing		
Prepayments	3,380,448.33	33,048,447.08
Other receivables	6,485,949,705.92	8,462,631,304.66
Of which: Interest receivable		
Dividends receivable	930,755,375.66	2,126,718,123.00
Inventories		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets		
Total current assets	66,812,780,166.96	59,600,128,138.80
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	13,436,738,333.48	13,383,816,192.05
Other equity investments		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment property		
Fixed assets	114,171,167.35	100,713,555.25
Construction in progress	112,398,471.31	115,870,542.48
Productive living assets		
Oil and gas assets		
Right-of-use assets	985,149.93	1,948,611.38
Intangible assets	39,378,847.31	38,664,783.59
Development costs		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	11,183,406.83	1,375,528.61
Other non-current assets		
Total non-current assets	13,716,055,376.21	13,643,589,213.36
Total assets	80,528,835,543.17	73,243,717,352.16
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	175,000.00	1,134,674.42
Advances from customers		
Contract liabilities		

Employee benefits payable	9,870,448.65	4,106,534.36
Taxes and levies payable	86,642,875.45	277,283,965.88
Other payables	159,525,988.83	146,366,462.73
Of which: Interest payable		
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	685,585.96	1,170,924.31
Other current liabilities		
Total current liabilities	256,899,898.89	430,062,561.70
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	7,750,000.00	500,000.00
Deferred income tax liabilities	246,287.48	487,152.85
Other non-current liabilities		
Total non-current liabilities	7,996,287.48	987,152.85
Total liabilities	264,896,186.37	431,049,714.55
Owners' equity:		
Share capital	3,881,608,005.00	3,881,608,005.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserves	2,682,647,086.15	2,682,647,086.15
Less: Treasury shares		
Other comprehensive income		
Specific reserve		
Surplus reserves	15,508,769,954.04	13,295,618,638.02
Retained earnings	58,190,914,311.61	52,952,793,908.44
Total owners' equity	80,263,939,356.80	72,812,667,637.61
Total liabilities and owners' equity	80,528,835,543.17	73,243,717,352.16

### 3. Consolidated Income Statement

Unit: RMB

Item	2023	2022
------	------	------



I Total revenues	83,272,067,317.19	73,968,640,704.54
Of which: Operating revenue	83,272,067,317.19	73,968,640,704.54
Interest income		
Insurance premium income		
Fee and commission income		
II Total costs and expenses	41,653,257,827.54	37,049,016,916.17
Of which: Cost of sales	20,157,143,952.21	18,178,425,659.64
Interest costs		
Fee and commission costs		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	12,531,695,628.42	10,748,802,377.04
Selling expense	7,796,298,418.13	6,844,237,013.17
Administrative expense	3,319,445,339.77	3,068,119,268.45
R&D expense	321,845,165.28	235,783,645.79
Finance costs	-2,473,170,676.27	-2,026,351,047.92
Of which: Interest expense	11,618,338.87	48,003,667.91
Interest income	2,487,953,643.33	2,075,700,630.12
Add: Other income	330,670,203.50	186,525,904.41
Return on investment (“-” for loss)	57,617,083.91	92,571,951.15
Of which: Share of profit or loss of joint ventures and associates	57,617,083.91	92,571,951.15
Income from the derecognition of financial assets at amortized cost		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	-772,191.29	-1,437,932.66
Asset impairment loss (“-” for loss)	-3,932,827.97	-26,207,459.87
Asset disposal income (“-” for loss)	1,272,004.07	3,347,202.23
III Operating profit (“-” for loss)	42,003,663,761.87	37,174,423,453.63
Add: Non-operating income	45,351,676.69	38,885,270.86
Less: Non-operating expense	136,333,494.92	109,788,008.25
IV Gross profit (“-” for gross loss)	41,912,681,943.64	37,103,520,716.24
Less: Income tax expense	10,391,904,361.49	9,133,735,140.97
V Net profit (“-” for net loss)	31,520,777,582.15	27,969,785,575.27
(I) By operating continuity		

1. Net profit from continuing operations (“-” for net loss)	31,520,777,582.15	27,969,785,575.27
2. Net profit from discontinued operations (“-” for net loss)		
(II) By ownership		
1. Net profit attributable to owners of the Company as the parent	30,210,585,269.30	26,689,983,647.20
2. Net profit attributable to non-controlling interests	1,310,192,312.85	1,279,801,928.07
VI Other comprehensive income, net of tax		
Other comprehensive income, net of tax attributable to owners of the Company as the parent		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes caused by remeasurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of other debt investments		
4. Changes in the fair value arising from changes in own credit risk		
5. Other		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowances for other debt investments		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Other		
Other comprehensive income, net of tax attributable to non-controlling interests		
VII Total comprehensive income	31,520,777,582.15	27,969,785,575.27
Total comprehensive income attributable to owners of the Company as the parent	30,210,585,269.30	26,689,983,647.20
Total comprehensive income attributable to non-controlling interests	1,310,192,312.85	1,279,801,928.07
VIII Earnings per share:		
(I) Basic earnings per share	7.783	6.876
(II) Diluted earnings per share	7.783	6.876

Where business combinations involving entities under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for last year being RMB0.00.

Legal representative: Zeng Congqin      Chief Financial Officer: Xie Zhiping      Head of the accounting department: Liu Hongxu

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	2023	2022
I Operating revenue		
Less: Cost of sales		

Taxes and levies	5,525,662.89	370,416.70
Selling expense		
Administrative expense	145,421,663.00	142,946,488.68
R&D expense	70,544,137.04	55,470,547.04
Finance costs	-1,501,998,089.99	-1,320,194,889.62
Of which: Interest expense	40,603.37	68,515.70
Interest income	1,502,063,802.45	1,320,290,654.38
Add: Other income	4,133,599.46	20,873,010.56
Return on investment (“-” for loss)	21,190,098,296.84	18,799,779,256.49
Of which: Share of profit or loss of joint ventures and associates	53,018,529.95	87,619,669.47
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	-1,503,446.05	-1,002,989.80
Asset impairment loss (“-” for loss))		
Asset disposal income (“-” for loss)	-92,629.13	
II Operating profit (“-” for loss)	22,473,142,448.18	19,941,056,714.45
Add: Non-operating income	88,980.74	413,500.00
Less: Non-operating expense	49,316,327.91	58,415,869.51
III Gross profit (“-” for gross loss)	22,423,915,101.01	19,883,054,344.94
Less: Income tax expense	292,401,940.85	265,219,502.86
IV Net profit (“-” for net loss)	22,131,513,160.16	19,617,834,842.08
(I) Net profit from continuing operations (“-” for net loss)	22,131,513,160.16	19,617,834,842.08
(II) Net profit from discontinued operations (“-” for net loss)		
V Other comprehensive income, net of tax		
(I) Other comprehensive income that will not be reclassified to profit or loss		
1. Changes caused by remeasurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of other debt investments		
4. Changes in the fair value arising from changes in own credit risk		
5. Other		
(II) Other comprehensive income that will be reclassified to profit or loss		
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in the fair value of other debt investments		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowances for other debt investments		
5. Reserve for cash flow hedges		

6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Other		
VI Total comprehensive income	22,131,513,160.16	19,617,834,842.08
VII Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	2023	2022
I Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	105,349,992,178.96	81,770,582,903.92
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	83,435,000.00	72,322,800.00
Cash generated from other operating activities	2,328,844,302.03	2,006,197,288.41
Subtotal of cash generated from operating activities	107,762,271,480.99	83,849,102,992.33
Payments for goods and services	21,310,361,287.23	19,397,297,581.75
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	7,890,206,082.92	7,879,082,833.54
Taxes and levies paid	30,999,125,076.75	27,773,048,881.11
Cash used in other operating activities	5,820,099,125.86	4,368,537,434.45
Subtotal of cash used in operating activities	66,019,791,572.76	59,417,966,730.85
Net cash generated from/used in operating activities	41,742,479,908.23	24,431,136,261.48
II Cash flows from investing activities:		
Proceeds from the disposal of investments		
Return on investment	23,638,368.00	23,038,080.00

Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	1,765,989.88	46,667,262.99
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	25,404,357.88	69,705,342.99
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	2,957,236,682.34	1,780,534,893.52
Payments for the acquisition of investments		5,625,000.00
Net increase in pledge loans		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	2,957,236,682.34	1,786,159,893.52
Net cash generated from/used in investing activities	-2,931,832,324.46	-1,716,454,550.53
III Cash flows from financing activities:		
Capital contributions received	22,618,764.59	
Of which: Capital contributions received by subsidiaries from non-controlling interests	22,618,764.59	
Borrowings received		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	22,618,764.59	
Repayment of borrowings		
Interest and dividends paid	15,894,242,592.66	12,681,422,089.05
Of which: Dividends paid by subsidiaries to non-controlling interests	1,214,001,151.69	947,321,133.56
Cash used in other financing activities	428,610,750.02	424,009,369.15
Subtotal of cash used in financing activities	16,322,853,342.68	13,105,431,458.20
Net cash generated from/used in financing activities	-16,300,234,578.09	-13,105,431,458.20
IV Effect of foreign exchange rate changes on cash and cash equivalents	627,320.96	136,266.19
V Net increase in cash and cash equivalents	22,511,040,326.64	9,609,386,518.94
Add: Cash and cash equivalents, beginning of the period	90,584,643,897.66	80,975,257,378.72
VI Cash and cash equivalents, end of the period	113,095,684,224.30	90,584,643,897.66

## 6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2023	2022
I Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services		
Tax and levy rebates		
Cash generated from other operating activities	2,102,357,381.43	1,463,712,176.86
Subtotal of cash generated from operating activities	2,102,357,381.43	1,463,712,176.86
Payments for goods and services		
Cash paid to and for employees	149,842,839.64	151,676,699.98
Taxes and levies paid	492,671,245.45	46,538,112.01

Cash used in other operating activities	98,632,120.82	264,037,436.73
Subtotal of cash used in operating activities	741,146,205.91	462,252,248.72
Net cash generated from/used in operating activities	1,361,211,175.52	1,001,459,928.14
II Cash flows from investing activities:		
Proceeds from the disposal of investments		
Return on investment	22,356,680,882.23	17,761,634,324.18
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	350,616.31	137.61
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	22,357,031,498.54	17,761,634,461.79
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	23,034,247.97	11,972,576.93
Payments for the acquisition of investments	23,541,979.48	5,625,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	46,576,227.45	17,597,576.93
Net cash generated from/used in investing activities	22,310,455,271.09	17,744,036,884.86
III Cash flows from financing activities:		
Capital contributions received		
Borrowings received		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Interest and dividends paid	14,680,241,440.97	11,734,100,955.49
Cash used in other financing activities	1,979,700.00	1,979,700.00
Subtotal of cash used in financing activities	14,682,221,140.97	11,736,080,655.49
Net cash generated from/used in financing activities	-14,682,221,140.97	-11,736,080,655.49
IV Effect of foreign exchange rate changes on cash and cash equivalents		
V Net increase in cash and cash equivalents	8,989,445,305.64	7,009,416,157.51
Add: Cash and cash equivalents, beginning of the period	49,975,638,860.17	42,966,222,702.66
VI Cash and cash equivalents, end of the period	58,965,084,165.81	49,975,638,860.17

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

2023

Unit: RMB

Item	2023														Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent															
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal			
Preferred shares		Perpetual bonds	Other													
I Balance as at the end of the prior year	3,881,608,005.00				2,682,647,086.15				28,432,198,524.98		79,028,605,172.04		114,025,058,788.17	2,659,130,827.92	116,684,189,616.09	
Add: Adjustments for changes in accounting policies								283,842.40		2,554,581.61		2,838,424.01			2,838,424.01	
Adjustments for correction of previous errors																
Other																
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				28,432,482,367.38		79,031,159,753.65		114,027,897,212.18	2,659,130,827.92	116,687,028,040.10	
III Increase/decrease in the period ("-" for decrease)								5,156,071,135.43		10,374,272,692.90		15,530,343,828.33	132,001,318.74	15,662,345,147.07		
(I) Total comprehensive income										30,210,585,269.30		30,210,585,269.30	1,310,192,312.85	31,520,777,582.15		
(II) Capital increase and reduction by owners														22,618,764.59	22,618,764.59	
1. Ordinary share increase by owners														22,618,764.59	22,618,764.59	
2. Capital increase by holders of other equity																

instruments														
3. Share-based payments recognized in owners' equity														
4. Other														
(III) Profit distribution								5,156,071,135.43		-19,836,312,576.40		-14,680,241,440.97	-1,200,809,758.70	-15,881,051,199.67
1. Appropriated to surplus reserves								5,156,071,135.43		-5,156,071,135.43				
2. Appropriated to general reserve														
3. Distributed to owners (or shareholders)										-14,680,241,440.97		-14,680,241,440.97	-1,200,809,758.70	-15,881,051,199.67
4. Other														
(IV) Transfers within owners' equity														
1. Increase in capital (or share capital) from capital reserves														
2. Increase in capital (or share capital) from surplus reserves														
3. Surplus reserves used to offset loss														
4. Changes in defined benefit schemes transferred to retained earnings														
5. Other comprehensive income transferred to retained earnings														
6. Other														
(V) Specific reserve														
1. Increase in the period														
2. Used in the period														



(VI) Other															
IV Balance as at the end of the period	3,881,608,005.00				2,682,647,086.15				33,588,553,502.81		89,405,432,446.55		129,558,241,040.51	2,791,132,146.66	132,349,373,187.17

2022

Unit: RMB

Item	2022														
	Equity attributable to owners of the Company as the parent												Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other			Subtotal
Preferenc e shares		Perpetual bonds	O t h e r												
I Balance as at the end of the prior year	3,881,608,005.00				2,682,647,086.15				23,866,103,395.72		68,638,139,859.37		99,068,498,346.24	2,323,385,298.63	101,391,883,644.87
Add: Adjustments for changes in accounting policies								351,617.41		3,164,556.82		3,516,174.23	168,606.73	3,684,780.96	
Adjustments for correction of previous errors															
Other															
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				23,866,455,013.13		68,641,304,416.19		99,072,014,520.47	2,323,553,905.36	101,395,568,425.83
III Increase/ decrease in the period ("-" for decrease)								4,566,027,354.25		10,389,855,337.46		14,955,882,691.71	335,576,922.56	15,291,459,614.27	
(I) Total comprehensive income										26,689,983,647.20		26,689,983,647.20	1,279,801,928.07	27,969,785,575.27	
(II) Capital increase and reduction by owners													-21,148,883.78	-21,148,883.78	
1. Ordinary share increase by owners															
2. Capital increase by holders of other equity instruments															



		Preference shares	Perpetual bonds	Other		Treasury shares	Comprehensive income	Reserve				
I Balance as at the end of the prior year	3,881,608,005.00				2,682,647,086.15				13,295,638,080.20	52,952,968,888.03		72,812,862,059.38
Add: Adjustments for changes in accounting policies									-19,442.18	-174,979.59		-194,421.77
Adjustments for correction of previous errors												
Other												
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				13,295,618,638.02	52,952,793,908.44		72,812,667,637.61
III Increase/ decrease in the period (“-” for decrease)									2,213,151,316.02	5,238,120,403.17		7,451,271,719.19
(I) Total comprehensive income										22,131,513,160.16		22,131,513,160.16
(II) Capital increase and reduction by owners												
1. Ordinary share increase by owners												
2. Capital increase by holders of other equity instruments												
3. Share-based payments recognized in owners' equity												
4. Other												
(III) Profit distribution									2,213,151,316.02	-16,893,392,756.99		-14,680,241,440.97
1. Appropriated to surplus reserves									2,213,151,316.02	-2,213,151,316.02		
2. Distributed to owners (or shareholders)										-14,680,241,440.97		-14,680,241,440.97
3. Other												
(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Surplus reserves used to offset loss												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												

6. Other											
(V) Specific reserve											
1. Increase in the period											
2. Used in the period											
(VI) Other											
IV Balance as at the end of the period	3,881,608,005.00				2,682,647,086.15			15,508,769,954.04	58,190,914,311.61		80,263,939,356.80

2022

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preference shares	Perpetual bonds	Other								
I Balance as at the end of the prior year	3,881,608,005.00				2,682,647,086.15				11,333,854,390.82	47,031,016,639.11		64,929,126,121.08
Add: Adjustments for changes in accounting policies									-19,237.01	-173,133.05		-192,370.06
Adjustments for correction of previous errors												
Other												
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				11,333,835,153.81	47,030,843,506.06		64,928,933,751.02
III Increase/ decrease in the period ("-" for decrease)									1,961,783,484.21	5,921,950,402.38		7,883,733,886.59
(I) Total comprehensive income										19,617,834,842.08		19,617,834,842.08
(II) Capital increase and reduction by owners												
1. Ordinary share increase by owners												
2. Capital increase by holders of other equity instruments												
3. Share-based payments recognized in owners' equity												
4. Other												
(III) Profit distribution									1,961,783,484.21	-13,695,884,439.70		-11,734,100,955.49

1. Appropriated to surplus reserves									1,961,783,484.21	-1,961,783,484.21		
2. Distributed to owners (or shareholders)										-11,734,100,955.49		-11,734,100,955.49
3. Other												
(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Surplus reserves used to offset loss												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Other												
(V) Specific reserve												
1. Increase in the period												
2. Used in the period												
(VI) Other												
IV Balance as at the end of the period	3,881,608,005.00				2,682,647,086.15				13,295,618,638.02	52,952,793,908.44		72,812,667,637.61

### III Company Profile

#### 1. Company history

Wuliangye Yibin Co., Ltd. (hereinafter referred to as the "Company") is a company limited by shares established by Sichuan Yibin Wuliangye Distillery through fund raising on 19 August 1997 with the approval of Document CFH (1997) No. 295 issued by the People's Government of Sichuan Province. The Company is principally engaged in the production and sales of "Wuliangye"-branded Baijiu products and other Baijiu series, with a registered capital of RMB3,881.6080 million and registered address: 150 Minjiang West Road, Cuiping District, Yibin City, Sichuan Province, China.

The Company issued 80 million common shares (in RMB) on-line by fixed price offering at Shenzhen Stock Exchange on 27 April 1998. According to the resolution of the extraordinary general meeting of Shareholders in September 1999, the Company, based on the total share capital of 320 million shares on 30 June 1999, transferred capital reserve to increase share capital, increasing five shares for every ten shares and the total share capital 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 ZH.J.G.S.Z. [2001] No. 6 issued by the China Securities Regulatory Commission. The total share capital after the placement was 511.2 million shares. In August 2001, the Company implemented the interim distribution plan 2001 and issued four bonus shares and increased three shares for every ten shares by transferring capital reserve to share capital, with 357.84 million bonus shares and shares transferred from capital reserve in total. The total share capital after the issuance and translation was 869.04 million shares. In April 2002, the Company implemented the distribution plan 2001 and issued one bonus shares, increased two shares by transferring capital reserve to share capital, and distributed RMB0.25 (tax inclusive) in cash for every ten shares, with 260.712 million bonus shares in total. The total share capital after the issuance and translation was 1,129.752 million shares. In April 2003, the Company implemented the distribution plan 2002 and increased two shares for every ten shares by transferring capital reserve to share capital for all shareholders, increasing the share capital by 225.9504 million shares. The total share capital after the translation was 1,355.7024 million shares. In April 2004, the Company implemented the distribution plan 2003 and issued eight bonus shares and increased two shares by transferring capital reserve to share capital for every ten shares, with 1,355.7024 million bonus shares in total. The total share capital after the issuance and translation was 2,711.4048 million shares.

On 31 March 2006, the Company carried out the equity division reform and the shareholding 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 capital, 493.4 thousand shares for officers, taking up 0.02% of the total share capital, and 893.1245 million shares for other shareholders, taking up 32.94% of the total share capital. The total share capital remained 2,711.4048 million shares.

In April 2007, the Company implemented the distribution plan 2006 and issued four bonus shares and distributed RMB0.60 (tax inclusive) in cash for every ten shares, with 1,084.5619 million bonus shares in total. The total share capital after the issuance and distribution was 3,795.96672 million shares. On 2 April 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 share capital. Other shareholders held 1,667.5954 million shares, taking up 43.93% of the total share capital.

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 (CH.G.Z.CH.Q. [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 (G.Z.CH.Q. [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 10 October 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. 791,823,343 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.* (Y.G.Z.W. [2016] No. 32), the State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City 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 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 of Shareholders 2015, the 19th meeting of the 5th Board of Directors, the 24th meeting of the 5th Board of Directors,

and annual general meeting of Shareholders 2016 of the Company and as approved by the License ZH.J.X.K. [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 12 April 2018. The total share capital 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 share capital, and 1,753.2366 million shares for other shareholders, taking up 45.17% of the total share capital.

According to the *Reply on Approval of Free Transfer of Shares Held by Wuliangye Yibin Co., Ltd.* (Y.G.Z.W. [2020] No. 157), issued by The State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City, the transfer was approved in principle. On 24 August 2020, Yibin Development Holding Group Co., Ltd. transferred 30,000,000 shares held by it in the Company to Sichuan Yibin Wuliangye Group Co., Ltd. for free. After this transfer of shares, Yibin Development Holding Group 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; Sichuan Yibin Wuliangye Group Co., Ltd., holding 20.40% shares of the Company (i.e. 791,823,343 shares), was the second majority shareholder of the Company. This transfer of shares did not change the controlling shareholder and actual controller of the Company.

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

The Company is engaged in the beverage production industry and its business scope is: Production and operation of liquor products and relevant auxiliary products (bottle caps, trademarks, logos and packaging products). Its primary products are "Wuliangye"-branded Baijiu products and other Baijiu series.

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

These financial statements have been reviewed and approved by General Meeting of Shareholders of the Company on 24 April 2024, and will be submitted to the general meeting for review according to the Articles of Association.

# **IV Preparation Basis for 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* (2023 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 Policies and Accounting Estimates**

The Company is subject to the disclosure requirements for the food and wine & liquor production industry in Guidelines No. 3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies—Industry-specific Information Disclosure.

Specific accounting policies 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. Statement of compliance with the 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 1 January to 31 December of each calendar year.

## **3. Operating cycle**

The Company's operating cycle is 12 months.

#### 4. Bookkeeping base currency

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

#### 5. Methods for determining materiality standards and selection criteria:

Applicable  Not applicable

Item	Significance standard
Significant receivables withdrawal of bad debt provision separately accrued	The provision separately accrued amount accounts for over 10% of the total bad debt provision for various receivables and exceeds RMB40 million.
Significant bad debt provision recovered or reversed in accounts receivables	The separately accrued recovery or reversal amount accounts for over 10% of the total receivables and exceeds RMB40 million.
Write-off of significant accounts receivable	The separately accrued write-off amount accounts for over 10% of the total bad debt provision for various receivables and exceeds RMB40 million.
Significant construction in progress	The separately accrued investment budget for construction in progress exceeds RMB1 billion.
Significant externally purchased R&D projects	Exceeds 10% of the total budget for existing R&D projects, with the amount of externally purchased R&D projects exceeding RMB40 million.
Significant capitalised R&D projects	Exceeds 10% of the total budget for existing R&D projects, with the capitalisation amount for the current period exceeding RMB40 million.
Significant prepayments, accounts payable, and other accounts payable	Accounts aged over 1 year account for over 10% of the corresponding items in the consolidated financial statements and exceed RMB1 billion.
Significant advances received and contract liabilities	Accounts aged over 1 year account for over 10% of the corresponding items in the consolidated financial statements and exceed RMB1 billion.
Significant investment projects	Individual investment cash flows account for over 10% of the total cash flows in or out of investment activities, exceeding RMB10 billion.
Significant non-wholly-owned subsidiary	Minority shareholders hold 5% or more equity, with total assets, net assets, operating income, and net profit accounting for over 10% of the corresponding items in the consolidated financial statements.
Significant joint ventures or associated enterprises	The long-term equity investment amount accounts for over 1% of the total assets in the consolidated financial statements.

#### 6. Accounting methods for business combinations involving enterprises under and not under the common control

##### (1) Business combination involving enterprises under the common control

The assets and liabilities acquired by the combining party through business combination involving enterprises under the common control are measured at the share of owners' equity of the combined party in the carrying value on consolidated financial statements of the final controlling party on the combination date. The difference between the carrying value of the net assets obtained by the combining party and the carrying value of consideration paid for the combination (or total par value of the shares issued) is adjusted against share 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 included in current profit/loss when incurred.

##### (2) Business combination involving enterprises not under the common control

In case of business combination involving enterprises not under the common 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 common 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:

a) In the individual financial statements, the sum of carrying 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 return on investment.

b) 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 carrying value shall be included in the current return on 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 return on investment 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 included in current profit/loss; the transaction expenses for issuing equity securities or debt securities by the acquirer as consideration of the combination shall be included in 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 common 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 included in the current profit/loss.

## **7. Judgement criteria for control and methods for preparing consolidated financial statements**

### **(1) Judgement criteria for control**

Control means that an investor 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. The Company will judge whether these entities have been controlled by the investee based on its comprehensive consideration of relevant facts and circumstances. Should any changes in such facts and circumstances alter the elements defining control, a reassessment is promptly conducted. Relevant facts and circumstances mainly include: a) the purpose of the investee's establishment; b) the investee's activities and how decisions regarding them are made; c) whether the rights held by the investor currently enable it to dominate the investee's activities; d) whether the investor receives variable returns from participating in the investee's activities; e) whether the investor has the ability to use its power over the investee to affect the amount of its returns; f) the relationship between the investor and other parties.

### **(2) Methods for preparing 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.

The Company as the parent 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 non-controlling interests shall be presented in the consolidated income statement as "net profit attributable to non-controlling interests" under the net profit. The share in current comprehensive income of the subsidiaries which is attributable to non-controlling interests shall be presented in the consolidated income statement as "total comprehensive income attributable to non-controlling interests" under the total other comprehensive income.

For subsidiaries and businesses of the Company as the parent added by business combination involving enterprises under the common 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 subsidiaries 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 common 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 the Reporting Period shall be recorded into the consolidated cash flow statement.

When the Company as the parent disposes subsidiaries and businesses during the Reporting Period, the revenue, expenses, and profits of such subsidiary and business from the beginning of the Reporting Period to the date of disposal shall be recorded into the consolidated income statement; and the cash flow of such subsidiary and business from the 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 as the parent acquires the equity held by the minority shareholders in the subsidiary, the difference between the long-term equity investment obtained by acquiring non-controlling interests 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 share premium). If the capital reserve is not sufficient for writing down, the retained earnings shall be adjusted.

## 8. Classification of joint arrangements and accounting methods for joint operations

Joint 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 Enterprises:

(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.

## 9. Recognition criteria of 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.

## 10. Foreign currency transaction and foreign currency statement translation

(1) Accounting methods of foreign currency transaction:

Foreign currency transaction shall be translated into the bookkeeping base 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 included in 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 included in administrative expenses if incurring during the preparation period and not in connection with acquisition and construction of fixed assets; and shall be included in current finance costs 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 retained earnings, 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. Differences arising from the translation of foreign currency-denominated financial statements shall be separately presented under the owners' 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.

## 11. 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 trading day, or derecognize the assets sold on the trading day.

#### (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 Company classified financial assets into the following categories: Financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit and loss of the current period.

##### 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 included in current profit or loss; for other categories of financial assets, relevant transaction expenses shall be included in 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

###### a) 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 included in current profit or loss.

###### b) 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 included in other comprehensive income, but the impairment loss, exchange gain or loss and interest income calculated by effective interest method shall be included in current profit or loss. The accumulative gains or losses which are previously included in other comprehensive income shall be transferred out from other comprehensive income and included in current profit or loss upon derecognition.

###### c) 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 included in current profit or loss. Only when the Company changes the business model of managing financial assets, shall relevant financial assets being affected be reclassified.

###### d) 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 includes relevant dividends income in current profit or loss, with changes in fair value included in other comprehensive income. The accumulative gains or losses which are previously included in 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 retains 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: a) This designation can eliminate or significantly reduce accounting mismatch; b) 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; c) 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 included in current profit or loss; relevant transaction expenses of financial liabilities measured at amortized cost shall be included in the initial recognition amount.

##### 2) Subsequent measurement of financial liabilities

a) 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 included in current profit/loss.

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

Held-for-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 included in 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 included in other comprehensive income; accumulative gain or loss previously included in other comprehensive income shall be transferred from other comprehensive income to retained earnings. Other changes in fair value shall be included in 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 included in 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 balance sheet date due to possible defaults of financial instruments and is an integral part of the lifetime expected credit loss.

On the balance sheet date, 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 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 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 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 balance sheet date, 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 Stage 1 and Stage 2, the Company shall calculate the interest income according to the carrying amount and effective interest rate before deducting the provisions for impairment. For financial instruments in Stage 3, the Company shall calculate the interest income according to the amortized cost and effective interest rate of the carrying amount after withdrawing the provisions for impairment.

For notes receivable and accounts receivable, regardless of whether there is 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

a) At the end of the Reporting Period, 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 carrying value.

b) If there is no objective evidence indicating that impairment or the credit loss of a single financial asset 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 bills
Letter of credit group	Letters of credit
Commercial acceptance bills group	Commercial acceptance bills
Accounts receivable group	Receivables from related parties
Accounts receivable group	External customer
Other receivables group	Receivables from and payables to related parties
Other receivables group	Cash float, deposits and other receivables with low credit risk
Other receivables 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 prepare 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 include the provision or reversal for loss made or included in 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 included in current profit or loss; for financial assets measured at amortized cost, the provision for loss shall offset the carrying value of such financial assets.

## 12. Contract assets and contract liabilities

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. 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 Baijiu 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 included in "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 balance sheet date, 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 included in 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 the Company 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 balance sheet date. 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 included in current profit or loss.

(4) Inventory system of inventories

The perpetual inventory system is adopted.

(5) Amortization method for low-value consumables

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

#### 14. 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 three 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 balance sheet date, if the carrying value is higher than the fair value minus the net amount of the sale costs, the carrying 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 included in 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 included in current profit or loss.

For the recognized amount of asset impairment loss of the disposal groups held for sale, the carrying value of goodwill of the disposal groups shall be offset first, and then the carrying 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 are classified as held-for-sale. The reversed amount shall be included

in 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 are classified as held-for-sale. The reversed amount shall be included in the current profit or loss. The carrying value of goodwill which had been written down and the asset impairment loss recognized before non-current assets 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 carrying value shall be increased according to the proportion of carrying 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 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: a) Amount after adjusting the carrying 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; b) the recoverable amount.

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

## 15. Long-term equity investments

### (1) Determination of initial investment cost

#### a) Long-term equity investment from business combination

1) For the long-term equity investment in subsidiaries acquired through business combination involving enterprises under the common control, the share of the carrying 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 share premium of the capital reserve shall be adjusted with the difference between the initial investment cost of the long-term equity investment and the carrying value of the consideration paid. If the share 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 common 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 common control implemented by multiple transactions, the initial investment cost shall be the sum of the carrying 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.

b) 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.

c) 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.

d) 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 carrying value of the assets surrendered and relevant taxes payable.

e) 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 return on investment.



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 included in 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 return on investment and other comprehensive income respectively, and adjust the carrying 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 carrying 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 carrying value of the long-term equity investment and include 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 return on investment is recognized accordingly. Unrecorded internal transaction losses incurred between the Company and the invested company shall be recognized in full if they fell under asset impairment loss.

The Company shall recognize the net losses of the invested company until the carrying 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 are inconsistent with those adopted by the Company, financial statements of the invested company shall be adjusted and return on investment 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 carrying value and the actual price at which the investment is obtained shall be included in current profit or loss.

For long-term equity investment accounted by the equity method, the part of the investment originally included in 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 carrying value shall be included in 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 stopping 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 carrying 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 date of acquisition 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.

## 16. 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 of more than one year and high unit value.

Costs of outsourced fixed assets include purchase price, import duty and other relevant taxes, and other expenditures incurred before and for making the fixed assets reach 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 reach 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 included in the cost of fixed assets if meeting the recognition conditions for fixed assets, and shall be included in 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
Tenements 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%
Specialised equipment	Straight-line method	eight years	3%-5%	11.18-12.13%
Transport equipment	Straight-line method	six years	3%-5%	15.83-16.17%
Other equipment	Straight-line method	six 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.

## 17. Construction in progress

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

(2) Standard and timing for transferring construction in progress to fixed assets

From the date when the construction in progress reaches the predetermined usable state, based on factors such as the project budget, cost, or actual cost, it is transferred to fixed assets based on the estimated value and depreciated according to the Company's fixed asset depreciation policy. 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.

## 18. 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 included in the cost of such assets; other interest of borrowings, and amortization of discounts or premiums shall be included in 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 included in 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 reach 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 included in current profit or loss.

(2) Capitalization period of borrowing costs:

a) Commencement of capitalization: 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.

b) 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.

c) 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 income of the borrowings unused and deposited in bank or the amount of return on investment 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.

## 19. Intangible assets

(1) Service life and the basis for its determination, estimation, amortisation methods or review procedures

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.

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.

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) Scope of R&D expenditures and related accounting treatment

The scope of R&D expenditures includes staff salaries for R&D personnel, direct input costs, depreciation and amortisation expenses, and other expenses.

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 included in 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 included in current profit or loss when incurred:

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

b) The Company has the intention to complete the intangible assets and use or sell them.

c) 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 phase of the intangible asset can be

reliably measured.

## 20. 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 balance sheet date. If the recoverable amount of the asset is less than its carrying value according to the test, provision for impairment will be made at the difference and included in 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 carrying 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 carrying 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 carrying value of each asset group or combination of assets groups in the total carrying 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 carrying 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 carrying value of these assets groups or combinations of assets groups (including the carrying 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 carrying 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.

## 21. Long-term prepaid expense

Long-term prepaid expense 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 prepaid expense such as expenditure for improvement of fixed assets under operating lease shall be amortized averagely within the benefit period.

## 22. Employee benefits

### (1) Accounting treatment of short-term remuneration

Short-term remuneration 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 remuneration is recognized as liabilities and included in 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.

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

b) 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 included in 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 included in other comprehensive income and shall not be reversed to profit or loss in subsequent accounting periods.

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

Dismissal benefits refer 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 included in current profit or loss on the earlier date of:

- a) 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.
- b) 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.

## **23. Provisions**

### **(1) Recognition criteria for provisions**

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

- a) The obligation is the current obligation assumed by the Company.
- b) The performance of this obligation may result in the outflow of economic benefits.
- c) The amount of this obligation can be reliably measured.

### **(2) Measurement method of provisions**

Considering the risks, uncertainties, and time value of money related to contingencies, the provisions 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 carrying value of the provisions on the balance sheet date, and adjust the carrying value to reflect current best estimate.

## **24. 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:

- a) The customer acquires and consumes the economic benefits of the Company's performance at the same time as the Company's performance;
- b) The customer controls the goods under construction during the performance of the Company;
- c) 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:

- a) 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;
- b) The Company has transferred legal ownership of the goods to the customer, i.e. the customer has legal ownership of the goods;
- c) The Company has physically transferred the goods to the customer, i.e. the customer has taken physical possession of the goods;
- d) 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;
- e) The customer has accepted the goods.

#### (2) Recognition methods of revenues

##### a) 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;

##### b) 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.

## 25. 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 included in 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 included in current profit or loss if used to compensate the relevant expenses or losses of the Company in the subsequent period; included in 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; included in 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 included in profit or loss directly when they are received.

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

## 26. 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 carrying 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 balance sheet date 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.

## 27. Leases

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

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

On the commencement date of the lease term, except for short-term leases and leases of low-value assets being adopted simplified treatment, the Company recognises right-of-use assets or lease liabilities for the lease.

Right-of-use assets shall be initially measured at costs, including: a) The initial measurement amount of the lease liabilities; b) the lease payment paid on or before the commencement date of the lease term. If there is a lease incentive, the amount related to the lease incentive taken should be deducted; c) the initial direct cost incurred by the lessee; d) the estimated cost that the Company will use to pull down and remove the leasehold property, and restore the site of the leasehold property or restore the leasehold property to the state agreed in the lease clauses (excluding the costs incurred by inventories for production).

The lease liabilities shall be initially measured at the present value of the unpaid lease payment from the commencement date of the lease term. When calculating the present value of lease payments, the Company uses the interest rate implicit in lease as the rate of discount. If the interest rate implicit in lease cannot be determined, the Company's incremental lending rate is used as the rate of discount.

After the commencement date of the lease term, the Company subsequently measures the right-of-use assets at cost model, and the right-of-use assets are subject to depreciation by using the straight-line method. Meanwhile, the interest expenses of the lease liabilities in each period of the lease term are calculated, and shall be included in the profit or loss for the current period, unless otherwise stipulated to be included in underlying asset costs. Variable lease payments that are not covered in the measurement of the lease liabilities are included in current

profit or loss when actually incurred, unless otherwise stipulated to be included in underlying asset costs.

For short-term leases within 12 months and leases of low-value assets, the Company chooses not to recognise right-of-use assets and lease liabilities. The relevant lease expenditures are included in relevant asset cost or the profit or loss for the current period in the straight-line method in each period of the lease term.

(2) Accounting treatment of the Company as the lessor

a) Classification of lease

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

b) Accounting treatment of financial lease

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

c) Accounting treatment of operating lease

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

## 28. Changes to Significant Accounting Policies and Estimates

### (1) Changes to Significant Accounting Policies

Applicable  Not applicable

Change and reason
<p>Concerning the adoption of Interpretation No. 16 for the Accounting Standards for Business Enterprises, on 30 November 2022, the Ministry of Finance issued Interpretation No. 16 for the Accounting Standards for Business Enterprises (C.K. [2022] No. 31, hereinafter referred to as “Interpretation No. 16”, of which the “accounting treatment that deferred income tax related to assets and liabilities arising from a single transaction is not exempt in initial recognition” was effective from 1 January 2023.</p> <p>For a single transaction to which Interpretation No. 16 applies that occurred between the beginning of the earliest period presented in the financial statements to which Interpretation No. 16 was first applied (i.e., 1 January 2022) and 1 January 2023, adjustments shall be made in accordance with Interpretation No. 16. For taxable temporary differences and deductible temporary differences arising from lease liabilities and right-of-use assets recognised on 1 January 2022 as a result of a single transaction to which Interpretation No. 16 applies, the cumulative effects shall be adjusted to retained earnings and other relevant financial statement items on 1 January 2022 in accordance with Interpretation No. 16 and Accounting Standard No. 18 for Business Enterprises—Income Tax.</p>

The effects of the above-mentioned regulations on the consolidated financial statements are as follows:

Unit: RMB

Item	31 December 2022/2022 (before)	31 December 2022/2022 (restated)	Amount of effect
Deferred income tax assets	2,043,089,823.62	2,140,289,194.58	97,199,370.96
Deferred income tax liabilities		94,360,946.95	94,360,946.95
Retained earnings	79,028,605,172.04	79,031,159,753.65	2,554,581.61
Surplus reserves	28,432,198,524.98	28,432,482,367.38	283,842.40



Non-controlling interests	2,659,130,827.92	2,659,130,827.92	
Income tax expense	9,132,888,784.02	9,133,735,140.97	846,356.95
Net profit/loss attributable to non-controlling interests	1,279,970,534.80	1,279,801,928.07	-168,606.73

The effects of the above-mentioned regulations on the financial statements of the Company as the parent are as follows:

Item	31 December 2022/2022 (before)	31 December 2022/2022 (restated)	Amount of effect
Deferred income tax assets	1,082,797.53	1,375,528.61	292,731.08
Deferred income tax liabilities		487,152.85	487,152.85
Retained earnings	52,952,968,888.03	52,952,793,908.44	-174,979.59
Surplus reserves	13,295,638,080.20	13,295,618,638.02	-19,442.18
Income tax expense	265,217,451.15	265,219,502.86	2,051.71

## (2) Changes to Significant Accounting Estimates

Applicable  Not applicable

## (3) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of any New Accounting Standard or Standard Interpretation Implemented since 2023

Applicable  Not applicable

Adjustments:

1. Adjustments to opening balance sheet items

### Consolidated Balance Sheet

Unit: RMB

Item	31 December 2022	1 January 2023	Amount of adjustment
Current assets:			
Monetary assets	92,358,426,975.79	92,358,426,975.79	
Settlement reserve			
Loans to other banks and financial institutions			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	119,918,307.60	119,918,307.60	
Accounts receivable	35,686,942.32	35,686,942.32	
Receivables financing	28,904,198,420.44	28,904,198,420.44	
Prepayments	135,982,868.14	135,982,868.14	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	30,901,231.69	30,901,231.69	
Of which: Interest receivable			
Dividends receivable			

Financial assets purchased under resale agreements			
Inventories	15,980,657,013.57	15,980,657,013.57	
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets			
Total current assets	137,565,771,759.55	137,565,771,759.55	
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	1,986,387,524.78	1,986,387,524.78	
Other equity investments			
Other non-current financial assets	1,200,000.00	1,200,000.00	
Investment property			
Fixed assets	5,312,971,445.61	5,312,971,445.61	
Construction in progress	3,773,155,983.95	3,773,155,983.95	
Productive living assets			
Oil and gas assets			
Right-of-use assets	380,922,885.84	380,922,885.84	
Intangible assets	518,517,835.31	518,517,835.31	
Development costs			
Goodwill	1,621,619.53	1,621,619.53	
Long-term prepaid expense	158,586,327.06	158,586,327.06	
Deferred income tax assets	2,043,089,823.62	2,140,289,194.58	97,199,370.96
Other non-current assets	972,502,674.97	972,502,674.97	
Total non-current assets	15,148,956,120.67	15,246,155,491.63	97,199,370.96
Total assets	152,714,727,880.22	152,811,927,251.18	97,199,370.96
Current liabilities:			
Short-term borrowings			
Borrowings from the central bank			
Loans from other banks and financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	887,970,376.53	887,970,376.53	
Accounts payable	7,246,802,709.58	7,246,802,709.58	

Advances from customers	16,160,671.49	16,160,671.49	
Contract liabilities	12,379,125,542.70	12,379,125,542.70	
Financial assets sold under repurchase agreements			
Customer deposits and deposits from other banks and financial institutions			
Payables for acting trading of securities			
Payables for underwriting of securities			
Employee benefits payable	3,375,526,829.88	3,375,526,829.88	
Taxes and levies payable	5,301,718,185.93	5,301,718,185.93	
Other payables	4,631,434,915.43	4,631,434,915.43	
Of which: Interest payable			
Dividends payable	13,191,392.99	13,191,392.99	
Fees and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	375,682,599.77	375,682,599.77	
Other current liabilities	1,544,723,419.34	1,544,723,419.34	
Total current liabilities	35,759,145,250.65	35,759,145,250.65	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities	16,976,148.73	16,976,148.73	
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income	254,416,864.75	254,416,864.75	
Deferred income tax liabilities		94,360,946.95	94,360,946.95
Other non-current liabilities			
Total non-current liabilities	271,393,013.48	365,753,960.43	94,360,946.95
Total liabilities	36,030,538,264.13	36,124,899,211.08	94,360,946.95
Owners' equity:			
Share capital	3,881,608,005.00	3,881,608,005.00	
Other equity instruments			
Of which : Preference shares			
Perpetual bonds			

Capital reserves	2,682,647,086.15	2,682,647,086.15	
Less: Treasury shares			
Other comprehensive income			
Specific reserve			
Surplus reserves	28,432,198,524.98	28,432,482,367.38	283,842.40
General reserve			
Retained earnings	79,028,605,172.04	79,031,159,753.65	2,554,581.61
Total equity attributable to owners of the Company as the parent	114,025,058,788.17	114,027,897,212.18	2,838,424.01
Non-controlling interests	2,659,130,827.92	2,659,130,827.92	
Total owners' equity	116,684,189,616.09	116,687,028,040.10	2,838,424.01
Total liabilities and owners' equity	152,714,727,880.22	152,811,927,251.18	97,199,370.96

Balance Sheet of the Company as the parent

Unit: RMB

Item	31 December 2022	1 January 2023	Amount of adjustment
Current assets:			
Monetary assets	51,104,448,387.06	51,104,448,387.06	
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Prepayments	33,048,447.08	33,048,447.08	
Other receivables	8,462,631,304.66	8,462,631,304.66	
Of which: Interest receivable			
Dividends receivable	2,126,718,123.00	2,126,718,123.00	
Inventories			
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets			
Total current assets	59,600,128,138.80	59,600,128,138.80	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	13,383,816,192.05	13,383,816,192.05	
Other equity investments			
Other non-current financial assets	1,200,000.00	1,200,000.00	

Investment property			
Fixed assets	100,713,555.25	100,713,555.25	
Construction in progress	115,870,542.48	115,870,542.48	
Productive living assets			
Oil and gas assets			
Right-of-use assets	1,948,611.38	1,948,611.38	
Intangible assets	38,664,783.59	38,664,783.59	
Development costs			
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	1,082,797.53	1,375,528.61	292,731.08
Other non-current assets			
Total non-current assets	13,643,296,482.28	13,643,589,213.36	292,731.08
Total assets	73,243,424,621.08	73,243,717,352.16	292,731.08
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,134,674.42	1,134,674.42	
Advances from customers			
Contract liabilities			
Employee benefits payable	4,106,534.36	4,106,534.36	
Taxes and levies payable	277,283,965.88	277,283,965.88	
Other payables	146,366,462.73	146,366,462.73	
Of which: Interest payable			
Dividends payable			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities	1,170,924.31	1,170,924.31	
Other current liabilities			
Total current liabilities	430,062,561.70	430,062,561.70	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities			

Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income	500,000.00	500,000.00	
Deferred income tax liabilities		487,152.85	487,152.85
Other non-current liabilities			
Total non-current liabilities	500,000.00	987,152.85	487,152.85
Total liabilities	430,562,561.70	431,049,714.55	487,152.85
Owners' equity:			
Share capital	3,881,608,005.00	3,881,608,005.00	
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserves	2,682,647,086.15	2,682,647,086.15	
Less: Treasury shares			
Other comprehensive income			
Specific reserve			
Surplus reserves	13,295,638,080.20	13,295,618,638.02	-19,442.18
Retained earnings	52,952,968,888.03	52,952,793,908.44	-174,979.59
Total owners' equity	72,812,862,059.38	72,812,667,637.61	-194,421.77
Total liabilities and owners' equity	73,243,424,621.08	73,243,717,352.16	292,731.08

## 2. Adjustments to income statement items of last year

## Consolidated Income Statement

Unit: RMB

Item	2022 (before)	2022 (restated)	Amount of adjustment
I Total revenues	73,968,640,704.54	73,968,640,704.54	
Of which: Operating revenue	73,968,640,704.54	73,968,640,704.54	
Interest income			
Insurance premium income			
Fee and commission income			
II Total costs and expenses	37,049,016,916.17	37,049,016,916.17	
Of which: Cost of sales	18,178,425,659.64	18,178,425,659.64	
Interest costs			
Fee and commission costs			
Surrenders			
Net insurance claims paid			
Net amount provided as insurance contract reserve			
Expenditure on policy dividends			

Reinsurance premium expense			
Taxes and levies	10,748,802,377.04	10,748,802,377.04	
Selling expense	6,844,237,013.17	6,844,237,013.17	
Administrative expense	3,068,119,268.45	3,068,119,268.45	
R&D expense	235,783,645.79	235,783,645.79	
Finance costs	-2,026,351,047.92	-2,026,351,047.92	
Of which: Interest expense	48,003,667.91	48,003,667.91	
Interest income	2,075,700,630.12	2,075,700,630.12	
Add: Other income	186,525,904.41	186,525,904.41	
Return on investment (“-” for loss)	92,571,951.15	92,571,951.15	
Of which: Share of profit or loss of joint ventures and associates	92,571,951.15	92,571,951.15	
Income from the derecognition of financial assets at amortized cost			
Exchange gain (“-” for loss)			
Net gain on exposure hedges (“-” for loss)			
Gain on changes in fair value (“-” for loss)			
Credit impairment loss (“-” for loss)	-1,437,932.66	-1,437,932.66	
Asset impairment loss (“-” for loss)	-26,207,459.87	-26,207,459.87	
Asset disposal income (“-” for loss)	3,347,202.23	3,347,202.23	
III Operating profit (“-” for loss)	37,174,423,453.63	37,174,423,453.63	
Add: Non-operating income	38,885,270.86	38,885,270.86	
Less: Non-operating expense	109,788,008.25	109,788,008.25	
IV Gross profit (“-” for gross loss)	37,103,520,716.24	37,103,520,716.24	
Less: Income tax expense	9,132,888,784.02	9,133,735,140.97	846,356.95
V Net profit (“-” for net loss)	27,970,631,932.22	27,969,785,575.27	-846,356.95
(I) By operating continuity			
1. Net profit from continuing operations (“-” for net loss)	27,970,631,932.22	27,969,785,575.27	-846,356.95
2. Net profit from discontinued operations (“-” for net loss)			
(II) By ownership			
1. Net profit attributable to owners of the Company as the parent	26,690,661,397.42	26,689,983,647.20	-677,750.22
2. Net profit attributable to non-controlling interests	1,279,970,534.80	1,279,801,928.07	-168,606.73
VI Other comprehensive income, net of tax			
Other comprehensive income, net of tax attributable to owners of the Company as the parent			
(I) Other comprehensive income that will not be reclassified to profit or loss			
1. Changes caused by remeasurements on defined benefit schemes			
2. Other comprehensive income that will not be reclassified to profit or loss under the			

equity method			
3. Changes in the fair value of other debt investments			
4. Changes in the fair value arising from changes in own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Credit impairment allowances for other debt investments			
5. Reserve for cash flow hedges			
6. Differences arising from the translation of foreign currency-denominated financial statements			
7. Other			
Other comprehensive income, net of tax attributable to non-controlling interests			
VII Total comprehensive income	27,970,631,932.22	27,969,785,575.27	-846,356.95
Total comprehensive income attributable to owners of the Company as the parent	26,690,661,397.42	26,689,983,647.20	-677,750.22
Total comprehensive income attributable to non-controlling interests	1,279,970,534.80	1,279,801,928.07	-168,606.73
VIII Earnings per share :			
(I) Basic earnings per share	6.876	6.876	
(II) Diluted earnings per share	6.876	6.876	

## Income Statement of the Company as the parent

Unit: RMB

Item	31 December 2022	1 January 2023	Amount of adjustment
I Operating revenue			
Less: Cost of sales			
Taxes and levies	370,416.70	370,416.70	
Selling expense			
Administrative expense	142,946,488.68	142,946,488.68	
R&D expense	55,470,547.04	55,470,547.04	
Finance costs	-1,320,194,889.62	-1,320,194,889.62	
Of which: Interest expense	68,515.70	68,515.70	
Interest income	1,320,290,654.38	1,320,290,654.38	
Add: Other income	20,873,010.56	20,873,010.56	
Return on investment (“-” for loss)	18,799,779,256.49	18,799,779,256.49	
Of which: Share of profit or loss of joint ventures and associates	87,619,669.47	87,619,669.47	



Income from the derecognition of financial assets at amortized cost (“-” for loss)			
Net gain on exposure hedges (“-” for loss)			
Gain on changes in fair value (“-” for loss)			
Credit impairment loss (“-” for loss)	-1,002,989.80	-1,002,989.80	
Asset impairment loss (“-” for loss))			
Asset disposal income (“-” for loss)			
II Operating profit (“-” for loss)	19,941,056,714.45	19,941,056,714.45	
Add: Non-operating income	413,500.00	413,500.00	
Less: Non-operating expense	58,415,869.51	58,415,869.51	
III Gross profit (“-” for gross loss)	19,883,054,344.94	19,883,054,344.94	
Less: Income tax expense	265,217,451.15	265,219,502.86	2,051.71
IV Net profit (“-” for net loss)	19,617,836,893.79	19,617,834,842.08	-2,051.71
(I) Net profit from continuing operations (“-” for net loss)	19,617,836,893.79	19,617,834,842.08	-2,051.71
(II) Net profit from discontinued operations (“-” for net loss)			
V Other comprehensive income, net of tax			
(I) Other comprehensive income that will not be reclassified to profit or loss			
1. Changes caused by remeasurements on defined benefit schemes			
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method			
3. Changes in the fair value of other debt investments			
4. Changes in the fair value arising from changes in own credit risk			
5. Other			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that will be reclassified to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Other comprehensive income arising from the reclassification of financial assets			
4. Credit impairment allowances for other debt investments			
5. Reserve for cash flow hedges			
6. Differences arising from the translation of foreign currency-denominated financial statements			
7. Other			
VI Total comprehensive income	19,617,836,893.79	19,617,834,842.08	-2,051.71
VII Earnings per share :			
(I) Basic earnings per share			
(II) Diluted earnings per share			

## 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%

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 Industry Co., Ltd.	15%
Yibin Xinxing Packaging Co., Ltd.	20%
Sichuan Jiebeike Environmental Technology Co., Ltd.	20%
Sichuan Jinwuxin Technology Co., Ltd.	20%

### 2. Tax preference

#### (1) Value added tax (VAT)

In January 2007, Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd. obtained the certificate of social welfare enterprise "F.Q.ZH.Z. No. 51004121049" issued by the Department of Civil Affairs of Sichuan Province. The Company, conforming to relevant provisions of G.SH.F. [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 (C.SH. [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 x quadruple of the minimum wage of current month. The amount of value-added tax refunded in 2023 was RMB83,435,000.00.

#### (2) Corporate income tax

Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd., Sichuan Yibin Plastic Packaging Materials Company Limited, and Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd. conforming to the Announcement of the Ministry of Finance and the State Taxation Administration on *Continuing the Corporate Income Tax Policies for the Large-Scale Development of Western China* (Announcement [2020] No. 23 of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission) has been filed with the Local Taxation Bureau of Yibin for preferential corporate income tax and pays the corporate income tax at 15%.

Yibin Xinxing Packaging Co., Ltd., Sichuan Jiebeike Environmental Technology Co., Ltd., and Sichuan Jinwuxin Technology Co., Ltd., comply with the provisions of the Announcement of the State Taxation Administration and the Ministry of Finance on Further Supporting Small and Micro Enterprises and Individual Industrial and Commercial Businesses through Relevant Tax and Fee Policies (Announcement No. 12 of 2023 of the Ministry of Finance and the State Taxation Administration). They are eligible for a 25% reduction in the calculation of taxable income for small and micro-profit enterprises, and they are subject to a 20% enterprise income tax rate, continuing until 31 December 2027.

## VII Notes to the Consolidated Financial Statements

### 1. Monetary assets

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	42,156.81	19,772.01
Bank deposits	74,892,248,621.63	57,099,833,261.29

Other monetary assets	264,472,639.86	214,242,264.36
Deposits in Wuliangye Group Finance	40,299,537,492.34	35,044,331,678.13
Total	115,456,300,910.64	92,358,426,975.79
Of which: total overseas funds		

A liquor/wine production enterprise should disclose in detail whether there is any special interest arrangement where the Company and any of its stakeholders have a joint account for funds, etc.

Applicable  Not applicable

## 2. Notes receivable

### (1) Notes receivable presented by category

Unit: RMB

Item	Closing balance	Opening balance
Letters of credit		119,918,307.60
Total		119,918,307.60

### (2) Notes receivable by method of establishing allowance for doubtful account

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Allowance for doubtful account		Carrying amount	Gross amount		Allowance for doubtful account		Carrying amount
	Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount		Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount	
Notes receivable for which allowances for doubtful accounts are established on an individual basis										
Notes receivable for which allowances for doubtful accounts are established on a grouping basis						119,918,307.60	100.00%			119,918,307.60
Of which:										
Letters of credit						119,918,307.60	100.00%			119,918,307.60
Total						119,918,307.60	100.00%			119,918,307.60

Allowances for doubtful notes receivable established using the general model of expected credit loss:

Applicable  Not applicable

### (3) Allowances for doubtful accounts established, recovered or reversed in the current period

The Company had no allowances for doubtful accounts established, recovered or reversed in the current period.

### (4) Notes receivable in pledge at the end of the current period

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

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

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

**(6) 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) Accounts receivable presented by category**

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year (inclusive)	42,890,430.03	35,188,964.20
1 to 2 years	31,487.08	285,551.64
2 to 3 years	278,631.80	66.00
More than 3 years	6,233,545.71	8,148,052.25
3 to 4 years	66.00	676,388.51
4 to 5 years	473,121.61	708,459.63
More than 5 years	5,760,358.10	6,763,204.11
Total	49,434,094.62	43,622,634.09

The Company had no accounts receivable with significant individual amounts aged over three years at the end of the period.

**(2) Accounts receivable by method of establishing allowance for doubtful account**

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Allowance for doubtful account		Carrying amount	Gross amount		Allowance for doubtful account		Carrying amount
	Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount		Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount	
Accounts receivable for which allowances for doubtful accounts are established on an individual basis	3,477,979.92	7.04%	3,477,979.92	100.00%		5,174,866.86	11.86%	5,174,866.86	100.00%	
Of which:										
Of which: External customers	3,477,979.92	7.04%	3,477,979.92	100.00%		5,174,866.86	11.86%	5,174,866.86	100.00%	
Accounts receivable for which allowances for doubtful accounts are established on a grouping basis	45,956,114.70	92.96%	3,308,653.22	7.20%	42,647,461.48	38,447,767.23	88.14%	2,760,824.91	7.18%	35,686,942.32
Of which:										
Of which: External customers	27,090,348.48	54.80%	3,308,653.22	12.21%	23,781,695.26	22,700,453.71	52.04%	2,760,824.91	12.16%	19,939,628.80
Related parties	18,865,766.22	38.16%			18,865,766.22	15,747,313.52	36.10%			15,747,313.52
<b>Total</b>	<b>49,434,094.62</b>	<b>100.00%</b>	<b>6,786,633.14</b>	<b>13.73%</b>	<b>42,647,461.48</b>	<b>43,622,634.09</b>	<b>100.00%</b>	<b>7,935,691.77</b>	<b>18.19%</b>	<b>35,686,942.32</b>

Accounts receivable for which allowances for doubtful accounts are established on an individual basis:

Unit: RMB

Entity	Opening balance		Closing balance			
	Gross amount	Allowance for doubtful account	Gross amount	Allowance for doubtful account	Allowance as % of the	Reason for allowance

					gross amount	
Qu Liang	1,411,528.44	1,411,528.44	1,411,528.44	1,411,528.44	100.00%	Expected to be unrecoverable
Beijing Junhui Tianhong Trading Co., Ltd.	1,174,891.71	1,174,891.71	1,174,891.71	1,174,891.71	100.00%	Expected to be unrecoverable
Nanxi Daliangxin Food Co., Ltd.	389,729.12	389,729.12	389,729.12	389,729.12	100.00%	Expected to be unrecoverable
Sichuan Debo Daily Commodity Co., Ltd.	294,230.65	294,230.65	294,230.65	294,230.65	100.00%	Expected to be unrecoverable
Gushi County Yingjun Liquor	207,600.00	207,600.00	207,600.00	207,600.00	100.00%	Expected to be unrecoverable
Wang Xiubing	872,596.00	872,596.00				
Ningxiahong Zhongning Wolfberry Products Co., Ltd.	516,135.60	516,135.60				
Hunan Liuyanghe Liquor Industry Co., Ltd.	308,155.34	308,155.34				
Total	5,174,866.86	5,174,866.86	3,477,979.92	3,477,979.92		

Accounts receivable for which allowances for doubtful accounts are established on a grouping basis:

Unit: RMB

Item	Closing balance		
	Gross amount	Allowance for doubtful account	Allowance as % of the gross amount
Accounts receivable for which allowances for doubtful accounts are established based on the external customer group	27,090,348.48	3,308,653.22	12.21%
Accounts receivable for which allowances for doubtful accounts are established based on the related party group	18,865,766.22		
<b>Total</b>	<b>45,956,114.70</b>	<b>3,308,653.22</b>	

### (3) Allowances for doubtful accounts established, recovered or reversed in the current period

Allowances for doubtful accounts in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Established	Recovered or reversed	Written off	Others	
Accounts receivable for which allowances for doubtful accounts are established on an individual basis	5,174,866.86		1,388,731.60	308,155.34		3,477,979.92
Accounts receivable for which allowances for doubtful accounts are established based on the external customer group	2,760,824.91	547,828.31				3,308,653.22
<b>Total</b>	<b>7,935,691.77</b>	<b>547,828.31</b>	<b>1,388,731.60</b>	<b>308,155.34</b>		<b>6,786,633.14</b>

The Company had no significant recovered or reversed allowances for doubtful accounts in the current period.

### (4) Accounts receivable actually written off in the current period

Unit: RMB

Item	Amount written off
Accounts receivable actually written off	308,155.34
<b>Total</b>	<b>308,155.34</b>

### (5) Top five entities with respect to accounts receivable and contract assets

Unit: RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets combined	As % of the closing balance of total accounts receivable and contract assets	Closing balance of allowances for doubtful accounts and impairment allowances for contract assets
Sichuan Putian Packaging Co., Ltd.	11,034,316.71		11,034,316.71	22.32%	

Chengdu Huayu Glass Manufacturing Co., Ltd.	3,953,526.99		3,953,526.99	8.00%	
Hebei Kun Yun Plastic Packaging Technology Co., Ltd.	3,781,972.96		3,781,972.96	7.65%	189,098.65
Yibin Liya Fiber Industry Co., Ltd.	2,641,212.86		2,641,212.86	5.34%	
Beijing TongRenTang Health Pharmaceutical (Ningxia) Co., Ltd.	1,627,977.48		1,627,977.48	3.29%	81,398.87
Total	23,039,007.00		23,039,007.00	46.60%	270,497.52

#### 4. Receivables financing

##### (1) Receivables financing presented by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	14,086,450,565.79	28,904,198,420.44
Total	14,086,450,565.79	28,904,198,420.44



## (2) Receivables financing by method of establishing allowance for doubtful account

Unit: RMB

Category	Closing balance				Carrying amount	Opening balance				Carrying amount
	Gross amount		Allowance for doubtful account			Gross amount		Allowance for doubtful account		
	Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount		Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount	
Receivables financing for which allowances for doubtful accounts are established on an individual basis										
Receivables financing for which allowances for doubtful accounts are established on a grouping basis	14,086,450,565.79	100.00%			14,086,450,565.79	28,904,198,420.44	100.00%			28,904,198,420.44
Of which:										
Of which: Bank acceptance bills	14,086,450,565.79	100.00%			14,086,450,565.79	28,904,198,420.44	100.00%			28,904,198,420.44
Total	14,086,450,565.79	100.00%			14,086,450,565.79	28,904,198,420.44	100.00%			28,904,198,420.44

The Company had no receivables financing for which allowances for doubtful accounts are established on an individual basis as at the end of the current period.

Receivables financing for which allowances for doubtful accounts are established on a grouping basis:

Unit: RMB

Item	Closing balance		
	Gross amount	Allowance for doubtful account	Allowance as % of the gross amount
Bank acceptance bills	14,086,450,565.79		
Total	14,086,450,565.79		

**(3) Allowances for doubtful accounts established, recovered or reversed in the current period**

The Company had no allowances for doubtful accounts established, recovered or reversed in the current period.

**(4) Receivables financing in pledge at the end of the current period**

The Company had no receivables financing in pledge at the end of the current period.

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

Unit: RMB

Item	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period
Bank acceptance bills	1,546,869,677.66	
Total	1,546,869,677.66	

**(6) Receivables financing actually written off at the end of the period**

The Company had no receivables financing actually written off at the end of the period.

**5. Other receivables**

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	39,624,933.74	30,901,231.69
Total	39,624,933.74	30,901,231.69

**(1) Other receivables**

**1) Other receivables classified by nature**

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Cash float	2,277,566.82	4,232,009.46
Current account	1,510,890.62	2,980,205.78
Security deposits	38,602,390.27	26,975,912.31
Other advance money for others or temporary payment	7,119,780.00	5,094,260.41
Total	49,510,627.71	39,282,387.96

**2) Other receivables presented by aging**

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year (inclusive)	31,302,289.55	17,581,713.35
1 to 2 years	4,460,593.08	3,323,404.48
2 to 3 years	1,394,469.00	5,059,243.45
More than 3 years	12,353,276.08	13,318,026.68
3 to 4 years	1,069,474.75	3,963,253.36
4 to 5 years	2,768,887.33	6,209,638.20
More than 5 years	8,514,914.00	3,145,135.12
Total	49,510,627.71	39,282,387.96

## 3) Other receivables by method of establishing allowance for doubtful account

 Applicable  Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Allowance for doubtful account		Carrying amount	Gross amount		Allowance for doubtful account		Carrying amount
	Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount		Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount	
Other receivables for which allowances for doubtful accounts are established on an individual basis	1,838.85	0.00%	1,838.85	100.00%		1,838.85	0.00%	1,838.85	100.00%	
Of which:										
Of which: External customers	1,838.85	0.00%	1,838.85	100.00%		1,838.85	0.00%	1,838.85	100.00%	
Other receivables for which allowances for doubtful accounts are established on a grouping basis	49,508,788.86	100.00%	9,883,855.12	19.96%	39,624,933.74	39,280,549.11	100.00%	8,379,317.42	21.33%	30,901,231.69
Of which:										
Of which: External customers	48,467,068.38	97.89%	9,883,855.12	20.39%	38,583,213.26	37,870,095.41	96.40%	8,379,317.42	22.13%	29,490,777.99
Related parties	1,041,720.48	2.10%			1,041,720.48	1,410,453.70	3.59%			1,410,453.70
Total	49,510,627.71	100.00%	9,885,693.97	19.97%	39,624,933.74	39,282,387.96	100.00%	8,381,156.27	21.34%	30,901,231.69

Other receivables for which allowances for doubtful accounts are established on an individual basis:

Unit: RMB

Item	Opening balance		Closing balance			
	Gross amount	Allowance for doubtful account	Gross amount	Allowance for doubtful account	Allowance as % of the gross amount	Reason for allowance
Other receivables for which allowances for doubtful accounts are established on an individual basis	1,838.85	1,838.85	1,838.85	1,838.85	100.00%	Expected to be unrecoverable
<b>Total</b>	<b>1,838.85</b>	<b>1,838.85</b>	<b>1,838.85</b>	<b>1,838.85</b>		

Other receivables for which allowances for doubtful accounts are established on a grouping basis:

Unit: RMB

Item	Closing balance		
	Gross amount	Allowance for doubtful account	Allowance as % of the gross amount
Other receivables for which allowances for doubtful accounts are established based on the external customer group	48,467,068.38	9,883,855.12	20.39%
Other receivables for which allowances for doubtful accounts are established based on the related party group	1,041,720.48		
<b>Total</b>	<b>49,508,788.86</b>	<b>9,883,855.12</b>	

Allowances for doubtful accounts established using the general model of expected credit loss:

Unit: RMB

Allowances for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at 1 January 2023	8,379,317.42		1,838.85	8,381,156.27
Balance as at 1 January 2023 was in the current period				
- Transferred to Stage 2				
- Transferred to Stage 3	-108,556.88		108,556.88	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Established in the current period	1,613,094.58			1,613,094.58
Reversed in the current period				
Charged off in the current period				
Written off in the current period			108,556.88	108,556.88
Other changes				
Balance as at 31 December 2023	9,883,855.12		1,838.85	9,885,693.97

Gross amounts with significant changes in loss allowances in the current period:

Applicable  Not applicable

#### 4) Allowances for doubtful accounts established, recovered or reversed in the current period

Allowances for doubtful accounts in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Established	Recovered or reversed	Charged off or written off	Others	
Other receivables for which allowances for doubtful accounts are established on an individual basis	1,838.85					1,838.85
Other receivables for which allowances for doubtful accounts are established based on the credit risk characteristic group	8,379,317.42	1,613,094.58		108,556.88		9,883,855.12
<b>Total</b>	<b>8,381,156.27</b>	<b>1,613,094.58</b>		<b>108,556.88</b>		<b>9,885,693.97</b>

**5) Other receivables actually written off in the current period**

Unit: RMB

Item	Amount written off
Other receivables actually written off	108,556.88
<b>Total</b>	<b>108,556.88</b>

**6) Top five entities with respect to other receivables**

Unit: RMB

Entity	Nature of account	Closing balance	Aging	As % of the closing balance of total other receivables	Closing balance of allowances for doubtful accounts
Jiang'an County People's Government	Security deposit	10,000,000.00	Within 1 year	20.20%	300,000.00
Yibin Zhongqi Natural Gas Co., Ltd.	Security deposit	8,000,000.00	Within 1 year	16.16%	240,000.00
Yibin Cuiping District Housing and Urban-Rural Development Bureau	Security deposit	5,000,000.00	Over 5 years	10.10%	4,000,000.00
Sichuan Chengdu Railway International Business Travel Group Co., Ltd.	Security deposit	2,054,331.00	Within 1 year	4.15%	61,629.93
Chongqing Xibolesi Building Engineering Co., Ltd.	Advance money for others	1,671,340.32	Over 5 years	3.38%	1,337,072.26
<b>Total</b>		<b>26,725,671.32</b>		<b>53.98%</b>	<b>5,938,702.19</b>

**6. Prepayments****(1) Prepayments presented by aging**

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	As % of total prepayments	Amount	As % of total prepayments
Within 1 year	143,838,589.00	84.90%	71,127,726.38	52.31%
1 to 2 years	6,079,402.92	3.59%	23,434,210.61	17.23%

2 to 3 years	11,610,807.73	6.85%	3,031,956.47	2.23%
More than 3 years	7,896,945.50	4.66%	38,388,974.68	28.23%
Total	169,425,745.15		135,982,868.14	

The Company had no prepayments with significant amounts aged over three years at the end of the period.

**(2) Top five entities with respect to prepayments**

Unit: RMB

Entity	Closing balance	As % of the closing balance of total prepayments
Chenmaofa (Xiamen) Supply Chain Co., Ltd.	34,431,719.83	20.32%
Yibin PetroChina Kunlun Guoding Gas Co., Ltd.	27,750,000.00	16.38%
Zhejiang Xiechen Supply Chain Management Co., Ltd.	11,186,000.00	6.60%
Sichuan Huashan Yungu Digital Technology Co., Ltd.	6,350,408.95	3.75%
Wuming Tea Industry Holding Co., Ltd.	6,016,608.60	3.55%
Total	85,734,737.38	50.60%



## 7. Inventory

### (1) Classification of inventory

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount	Gross amount	Inventory valuation allowances or impairment allowances for contract performance costs	Carrying amount
Raw materials	535,367,248.85	5,839,586.09	529,527,662.76	707,788,815.54	5,923,783.20	701,865,032.34
Goods in process	1,263,271,738.43		1,263,271,738.43	1,198,799,326.25		1,198,799,326.25
Inventory of goods	3,786,765,952.30	30,118,427.27	3,756,647,525.03	2,498,986,318.92	30,602,282.53	2,468,384,036.39
Turnover materials	2,771,487.81	436,409.41	2,335,078.40	3,026,557.39	436,409.41	2,590,147.98
Goods issued	231,804,401.04	917,805.65	230,886,595.39	105,088,512.68	1,956,236.12	103,132,276.56
Homemade semi-finished products	11,540,815,410.35	150,386.01	11,540,665,024.34	11,388,060,199.27	150,386.01	11,387,909,813.26
Packing materials	15,916,796.10	15,916,796.10		15,916,796.10	15,916,796.10	
Manufacturing consignment materials	29,963,859.21		29,963,859.21	86,136,817.83		86,136,817.83
Goods in transit	34,544,229.31		34,544,229.31	31,839,562.96		31,839,562.96
Total	17,441,221,123.40	53,379,410.53	17,387,841,712.87	16,035,642,906.94	54,985,893.37	15,980,657,013.57

The Company is subject to the disclosure requirements for the food and wine & liquor production industry in Guidelines No. 3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies—Industry-specific Information Disclosure.

## (2) Classification of merchandise on hand

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Valuation allowances	Carrying amount	Gross amount	Valuation allowances	Carrying amount
Liquor	2,960,244,729.82		2,960,244,729.82	1,937,262,431.76		1,937,262,431.76
Plastic products	597,271,784.75	1,883,172.95	595,388,611.80	290,783,376.85	1,367,676.36	289,415,700.49
Printing	45,863,262.76	15,689,954.97	30,173,307.79	38,532,766.99	15,558,180.76	22,974,586.23
Glass bottles	142,839,505.25	8,278,895.75	134,560,609.50	176,993,699.53	12,986,459.20	164,007,240.33
Others	40,546,669.72	4,266,403.60	36,280,266.12	55,414,043.79	689,966.21	54,724,077.58
Total	3,786,765,952.30	30,118,427.27	3,756,647,525.03	2,498,986,318.92	30,602,282.53	2,468,384,036.39

## (3) Inventory valuation allowances and impairment allowances for contract performance costs

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Established	Others	Reversed or charged off	Others	
Raw materials	5,923,783.20			84,197.11		5,839,586.09
Inventory of goods	30,602,282.53	3,932,827.97		4,416,683.23		30,118,427.27
Turnover materials	436,409.41					436,409.41
Packing materials	15,916,796.10					15,916,796.10
Goods issued	1,956,236.12			1,038,430.47		917,805.65
Semi-finished products	150,386.01					150,386.01
Total	54,985,893.37	3,932,827.97		5,539,310.81		53,379,410.53

## (4) Note on closing balance of inventory containing the capitalized amount of borrowing costs

None

## (5) Notes of the amount of contract performance costs amortized for the current period

None

## 8. Long-term equity investments

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Increase/decrease in the current period							Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Return on investment recognized using the equity method	Adjustment to other comprehensive income	Other equity changes	Declared cash dividends or profit	Impairment allowance		

I Joint ventures											
II Associates											
Oriental Outlook Media Co., Ltd.	26,129,137.92				1,232,799.42						27,361,937.34
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	1,930,138,327.52				51,680,660.38			23,638,368.00			1,958,180,619.90
Beijing Zhongjiuhuicui Education and Technology Co., Ltd.	10,646,588.50				105,070.15						10,751,658.65
Yibin Jiamei Intelligent Packaging Co., Ltd.	19,473,470.84				4,598,553.96						24,072,024.80
Sub-total	1,986,387,524.78				57,617,083.91			23,638,368.00			2,020,366,240.69
Total	1,986,387,524.78				57,617,083.91			23,638,368.00			2,020,366,240.69

## Other information:

(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 RMB17.15 million in April 2005, acquiring 49% of the equity of Oriental Outlook Media Co., Ltd. held by China Worldbest Group, Shanghai Worldbest Co., 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 24 October 2012, the Company, Wuliangye Group and six of its subsidiaries, and ABC International Holdings Limited jointly invested and established Sichuan Yibin Wuliangye Group Finance Co., Ltd. (Wuliangye Group Finance). Its registered capital is RMB2 billion, among which the Company contributed RMB720 million, taking up 36% of the registered capital.

On 23 May 2020, the 74th meeting of the 5th Board of Directors of the Company considered and approved the capital increase of the Company to Wuliangye Group Finance based on the net asset value per share of Wuliangye Group Finance 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 reserve. 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 Wuliangye Group Finance did not participate in this capital increase. After the completion of this capital increase, the registered capital of Wuliangye Group Finance increased from RMB2 billion 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 RMB20 million, among which Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd. contributed RMB9.8 million, taking up 49% of the registered capital.

(4) As reviewed and approved by the 85th meeting of the 5th Board of Directors of the Company on 5 February 2021, the Company, Beijing Zhongjiuhuicui Exhibition Co., Ltd. Sichuan Wine and Tea Investment Group Co., Ltd., Sichuan Science and Engineering Asset Management Co., Ltd., Sichuan Jingwei Education Management Group Co., Ltd., and Yibin Vocational & Technical College Asset Operation and Management Co., Ltd. jointly invested and established Beijing Zhongjiuhuicui Education and Technology Co., Ltd. Its registered capital is RMB54 million, among which the Company contributed RMB11.25 million, taking up 20.83% of the registered capital.

## 9. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening 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

Item	Closing balance	Opening balance
Fixed assets	5,188,163,140.11	5,311,203,941.09
Disposal of fixed assets	1,754,162.06	1,767,504.52
Total	5,189,917,302.17	5,312,971,445.61

**(1) Information on fixed assets**

Unit: RMB

Item	Buildings and constructions	Specialised equipment	General equipment	Transport equipment	Other equipment	Total
I Gross amount:						
1. Opening balance	8,672,188,343.30	3,087,259,540.80	1,937,788,426.38	155,666,051.54	682,371,696.63	14,535,274,058.65
2. Increases in the current period	36,248,138.75	113,409,672.96	168,202,053.60	6,951,913.82	58,587,903.49	383,399,682.62
(1) Acquisition	12,045,005.57	55,926,361.28	100,231,074.64	6,951,913.82	42,692,747.83	217,847,103.14
(2) Transferred from construction in progress	24,203,133.18	57,483,311.68	67,970,978.96		15,895,155.66	165,552,579.48
(3) Increase from business combination						
3. Decreases in the current period	93,937,108.02	36,003,628.27	254,487,878.80	4,597,078.93	27,780,800.41	416,806,494.43
(1) Disposed or scrapped	93,937,108.02	36,003,628.27	254,487,878.80	4,597,078.93	27,780,800.41	416,806,494.43
(2) Others						
4. Closing balance	8,614,499,374.03	3,164,665,585.49	1,851,502,601.18	158,020,886.43	713,178,799.71	14,501,867,246.84
II Accumulated depreciation						
1. Opening balance	4,341,235,827.77	2,798,464,494.67	1,408,382,424.47	83,749,790.83	565,488,538.28	9,197,321,076.02
2. Increases in the current period	244,074,245.33	60,741,497.61	84,171,844.05	17,806,001.41	34,502,171.45	441,295,759.85
(1) Provisions	244,074,245.33	60,741,497.61	84,171,844.05	17,806,001.41	34,502,171.45	441,295,759.85
3. Decreases in the current period	46,238,107.05	34,210,997.56	240,546,415.52	4,268,630.54	26,397,620.01	351,661,770.68

(1) Disposed or scrapped	46,238,107.05	34,210,997.56	240,546,415.52	4,268,630.54	26,397,620.01	351,661,770.68
4. Closing balance	4,539,071,966.05	2,824,994,994.72	1,252,007,853.00	97,287,161.70	573,593,089.72	9,286,955,065.19
III Impairment allowances						
1. Opening balance	15,412,584.75	9,953,302.88	911,614.26		471,539.65	26,749,041.54
2. Increases in the current period						
(1) Provisions						
3. Decreases in the current period						
(1) Disposed or scrapped						
4. Closing balance	15,412,584.75	9,953,302.88	911,614.26		471,539.65	26,749,041.54
IV Carrying amount						
1. Closing carrying amount	4,060,014,823.23	329,717,287.89	598,583,133.92	60,733,724.73	139,114,170.34	5,188,163,140.11
2. Opening carrying amount	4,315,539,930.78	278,841,743.25	528,494,387.65	71,916,260.71	116,411,618.70	5,311,203,941.09

**(2) Fixed assets that are temporarily idle**

The Company has no major fixed assets that are temporarily idle.

**(3) Fixed assets leased out under operating leases**

Unit: RMB

Item	Closing carrying amount
Buildings and constructions	198,083,469.54

**(4) Fixed assets without certificate of title**

Unit: RMB

Item	Carrying amount	Reason for not obtaining certificate of title
Buildings and constructions	801,384,477.47	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.

Other information:

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.

**(5) Impairment tests of fixed assets**

There were no further impairments of fixed assets at the end of the current period.

**(6) Disposal of fixed assets**

Unit: RMB

Item	Closing balance	Opening balance
Equipment	1,754,162.06	1,767,504.52
Total	1,754,162.06	1,767,504.52

**11. Construction in progress**

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	5,620,810,349.02	3,770,609,910.77
Engineering materials	2,546,073.18	2,546,073.18
Total	5,623,356,422.20	3,773,155,983.95

**(1) Construction in progress**

Unit: RMB

Project	Closing balance			Opening balance		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Construction in progress	5,623,210,354.57	2,400,005.55	5,620,810,349.02	3,773,009,916.32	2,400,005.55	3,770,609,910.77
Total	5,623,210,354.57	2,400,005.55	5,620,810,349.02	3,773,009,916.32	2,400,005.55	3,770,609,910.77

**(2) Changes in important construction in progress in the current period**

Unit: RMB

Project	Budget	Opening balance	Increase in the current period	Transferred to fixed assets in the current period	Other decreases in the current period	Closing balance	Cumulative project investment as % of the budget	Project progress	Cumulative capitalized interest	Of which: Capitalized interest in the current period	Interest capitalization rate for the current period	Funding source
Liquor Packaging and Integrated Smart Storage-and-delivery Project	8,596,655,000.00	1,078,547,581.94	261,668,684.89			1,340,216,266.83	15.59%	40.00% (note 1)				Owned and raised funds
Baijiu Cellar Renovation Project	1,726,166,000.00	803,231,249.04	114,495,175.79			917,726,424.83	53.17%	98.00%				Owned and raised funds and subsidies
Qu-making Workshop Expansion Project	2,358,117,500.00	581,399.99	495,174,348.45			495,755,748.44	21.02%	60.00%				Owned funds
100,000-ton Ecological Brewery Project (Phase I)	1,407,954,000.00	45,707,989.86	278,631,489.50			324,339,479.36	23.04%	75.00%				Owned funds
100,000-ton Ecological Brewery Project (Phase II)	4,861,043,000.00	296,909.43	304,913,805.20			305,210,714.63	6.28%	10.00%				Owned funds
Wuliangye Gateway Area Project	5,027,737,600.00		43,780,484.44			43,780,484.44	0.87%	3.00%				Owned funds
New centralised wastewater treatment plant	1,200,000,000.00	170,471.62	13,788,317.33			13,958,788.95	1.19%	3.64%				Owned funds



Total	25,177,673,100.00	1,928,535,601.88	1,512,452,305.60			3,440,987,907.48					
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Note 1: The total budget investment in liquor packaging and integrated smart storage-and-delivery project is RMB8,596,655,000, among which the investment in construction is RMB6,787,568,000, with RMB1,809,087,000 of initial working capital. The project has two phases. The progress of the first phase is 88%, and the second phase will begin at the right time according to the production and operations of the Company. The total progress of the two phases of the project is 40%.

**(3) Impairment tests of construction in progress**

There were no further impairments of construction in progress at the end of the current period.

**(4) Engineering materials**

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Engineering materials	2,546,073.18		2,546,073.18	2,546,073.18		2,546,073.18
Total	2,546,073.18		2,546,073.18	2,546,073.18		2,546,073.18

**12. Right-of-use assets****(1) Right-of-use assets**

Unit: RMB

Item	Buildings and constructions	Specialised equipment	Transport equipment	Other equipment	Land use right	Total
I Gross amount						
1. Opening balance	282,167,930.46	366,174.21	1,407,132.27	9,604,798.89	853,304,839.65	1,146,850,875.48
2. Increases in the current period	147,869,518.09			220,402.19		148,089,920.28
(1) Operating leases	147,869,518.09			220,402.19		148,089,920.28
3. Decreases in the current period	166,591,437.05			9,825,201.08	572,125,753.41	748,542,391.54
(1) Expiry or termination of leases	166,591,437.05			9,825,201.08	572,125,753.41	748,542,391.54
4. Closing balance	263,446,011.50	366,174.21	1,407,132.27		281,179,086.24	546,398,404.22
II Accumulated depreciation						
1. Opening balance	190,200,964.04	203,430.15	845,659.32	7,435,973.29	567,241,962.84	765,927,989.64
2. Increases in the current period	103,113,322.85	122,058.04	124,771.80	2,389,227.79	286,062,876.81	391,812,257.29
(1) Provisions	103,113,322.85	122,058.04	124,771.80	2,389,227.79	286,062,876.81	391,812,257.29
3. Decreases in the current period	156,201,203.71			9,825,201.08	572,125,753.41	738,152,158.20
(1) Disposal						
(2) Expiry or termination of leases	156,201,203.71			9,825,201.08	572,125,753.41	738,152,158.20
4. Closing balance	137,113,083.18	325,488.19	970,431.12		281,179,086.24	419,588,088.73
III Impairment allowances						
1. Opening balance						
2. Increases in the current period						
(1) Provisions						

3. Decreases in the current period						
(1) Disposal						
4. Closing balance						
IV Carrying amount						
1. Closing carrying amount	126,332,928.32	40,686.02	436,701.15			126,810,315.49
2. Opening carrying amount	91,966,966.42	162,744.06	561,472.95	2,168,825.60	286,062,876.81	380,922,885.84

## (2) Impairment tests of right-of-use assets

There were no impairments of right-of-use assets at the end of the current period.

## 13. Intangible assets

### (1) Intangible assets

Unit: RMB

Item	Land use right	Patents	Non-patent technology	Software system	Technology use right	Copyright	Total
I Gross amount							
1. Opening balance	487,977,253.67			290,444,383.83	10,391,942.73	8,066,037.47	796,879,617.70
2. Increases in the current period	1,538,491,812.48			110,112,522.48			1,648,604,334.96
(1) Acquisition	1,538,491,812.48			110,112,522.48			1,648,604,334.96
(2) Internal research and development							
(3) Increase from business combination							
3. Decreases in the current period	427,876.28			2,674,547.11			3,102,423.39
(1) Disposal	427,876.28			2,674,547.11			3,102,423.39
4. Closing balance	2,026,041,189.87			397,882,359.20	10,391,942.73	8,066,037.47	2,442,381,529.27
II Accumulated amortization							
1. Opening balance	134,661,159.19			128,785,142.71	10,344,725.85	4,570,754.64	278,361,782.39
2. Increases in the current period	44,950,234.03			63,256,579.12	7,358.52	1,613,207.52	109,827,379.19
(1) Provisions	44,950,234.03			63,256,579.12	7,358.52	1,613,207.52	109,827,379.19
3. Decreases in the current period	106,969.07			2,571,302.27			2,678,271.34
(1) Disposal	106,969.07			2,571,302.27			2,678,271.34

4. Closing balance	179,504,424.15			189,470,419.56	10,352,084.37	6,183,962.16	385,510,890.24
III Impairment allowances							
1. Opening balance							
2. Increases in the current period							
(1) Provisions							
3. Decreases in the current period							
(1) Disposal							
4. Closing balance							
IV Carrying amount							
1. Closing carrying amount	1,846,536,765.72			208,411,939.64	39,858.36	1,882,075.31	2,056,870,639.03
2. Opening carrying amount	353,316,094.48			161,659,241.12	47,216.88	3,495,282.83	518,517,835.31

The increase in intangible assets during the current period was primarily driven by the increased land use rights for the new Wuliangye Gateway Area Project, with a gross amount of RMB1,305 million.

There were no intangible assets created by internal research and development of the Company at the end of the current period.

## (2) Land use right failed to accomplish certification of property

Unit: RMB

Item	Carrying amount	Reason for failing to accomplish certification of property
Land of the Wuliangye Gateway Area Project	1,275,190,627.84	Certification of property has not yet started for the construction planning is still being optimized.

## (3) Impairment tests of intangible assets

There were no impairments of intangible assets at the end of the current period.

## 14. Goodwill

### (1) Gross amounts of goodwill

Unit: RMB

Investee or item generating goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Generated due to 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
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**15. Long-term prepaid expense**

Unit: RMB

Item	Opening balance	Increase in the current period	Amortization in the current period	Other decreases	Closing balance
Molds	135,614,953.60	65,312,393.95	64,082,937.14		136,844,410.41
Overhaul expenses of kilns	19,842,079.24	9,994,734.58	9,874,931.43		19,961,882.39
Others	3,129,294.22	4,381,835.03	1,197,398.19		6,313,731.06
Total	158,586,327.06	79,688,963.56	75,155,266.76		163,120,023.86

Other notes: Long-term prepaid expense 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 three years and four years, respectively.

**16. Deferred income tax assets/deferred income tax liabilities****(1) Deferred income tax assets which have not been offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment allowances	97,497,278.56	19,252,967.78	97,653,716.96	24,413,429.24
Unrealized profit of internal transactions	1,188,281,924.48	297,070,481.12	1,138,589,500.24	284,647,375.06
Employee benefits payable	3,490,817,759.43	872,704,439.86	3,102,191,751.36	775,547,937.84
Lease liabilities (inclusive of the current portion)	130,235,057.60	32,558,764.42	392,658,748.50	97,199,370.96
Accrued expenses, etc.	4,084,095,658.56	1,021,023,914.64	3,833,924,325.92	958,481,081.48
Total	8,990,927,678.63	2,242,610,567.82	8,565,018,042.98	2,140,289,194.58

**(2) Deferred income tax liabilities which have not been offset**

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Right-of-use assets	126,810,315.49	31,702,578.88	380,922,885.84	94,360,946.95
Total	126,810,315.49	31,702,578.88	380,922,885.84	94,360,946.95

**(3) Details about deferred income tax assets which have not been recognized**

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	2,210,106.17	3,304,671.54
Deductible losses	238,826,934.43	177,260,671.19
Total	241,037,040.60	180,565,342.73

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.

**(4) Deductible losses of deferred income tax assets which have not been recognized will become due in the following years**

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2023		81,171,553.38	
2024	37,175,954.09	37,175,954.09	
2025	26,822,159.35	26,822,159.35	
2026			
2027	31,108,726.70	32,091,004.37	
2028	143,720,094.29		
Total	238,826,934.43	177,260,671.19	

**17. Other non-current assets**

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowance	Carrying amount	Gross amount	Impairment allowance	Carrying amount
Advances of progress payment for information system construction	197,884,442.32		197,884,442.32	246,955,204.05		246,955,204.05
Prepayments for land bids	617,111,764.28		617,111,764.28	725,547,470.92		725,547,470.92
Prepayments for equipment	9,821,017.69		9,821,017.69			
Total	824,817,224.29		824,817,224.29	972,502,674.97		972,502,674.97

Other information:

The prepayments for land bids mainly included the prepayments to the Yibin Natural Resources and Planning Bureau and the Yibin Public Resources Trading Centre for the transfer of land for the Wuliangye 501 Ancient Fermentation Pits-Chinese Baijiu Cultural Sanctuary Project.

**18. Assets with restricted ownership or rights-of-use**

Unit: RMB

Item	At the end of the current period				At the beginning of the current period			
	Gross amount	Carrying amount	Type of restriction	Restriction	Gross amount	Carrying amount	Type of restriction	Restriction
Monetary assets	200,977,259.48	200,977,259.48	Security deposits, etc.	Security deposits for bank acceptance bills, other security deposits, and the balance in the securities trading account with the Yibin	192,532,713.23	192,532,713.23	Security deposits, etc.	Security deposits for bank acceptance bills, other security deposits, and the balance in the securities trading account with the Yibin Business Department of Essence Securities

				Business Department of Essence Securities				
Receivables financing					117,021,640.00	117,021,640.00	In ple dg e	In pledge for bank acceptance bills
Total	200,977,259.48	200,977,259.48			309,554,353.23	309,554,353.23		

## 19. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance notes	732,432,611.26	886,789,180.37
Letters of credit		1,181,196.16
Total	732,432,611.26	887,970,376.53

There were no notes payable which became mature but were unpaid at the end of the current period.

## 20. Accounts payable

### (1) Presentation of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable	8,864,206,997.09	7,246,802,709.58
Total	8,864,206,997.09	7,246,802,709.58

### (2) Significant accounts payable that are over one year or overdue

There were no significant accounts payable that were over 1 year or overdue at the end of the current period.

## 21. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		13,191,392.99
Other payables	5,385,776,903.69	4,618,243,522.44
Total	5,385,776,903.69	4,631,434,915.43

### (1) Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable by subsidiaries to non-controlling shareholders		13,191,392.99
Total		13,191,392.99

### (2) Other payables

#### 1) Presentation of other payables by nature

Unit: RMB

Item	Closing balance	Opening balance
Image publicity expense and sales promotional expense	3,641,584,720.31	2,974,372,546.57

Security deposits	961,975,482.82	1,059,053,791.82
Frozen funds	272,831,242.15	254,603,170.35
Collecting payment on behalf of others	116,936,716.76	79,272,558.15
Claims from safeguarding rights	32,741,432.38	31,207,782.63
Others	359,707,309.27	219,733,672.92
<b>Total</b>	<b>5,385,776,903.69</b>	<b>4,618,243,522.44</b>

## 2) Significant other payables that are over one year or overdue

Unit: RMB

Item	Closing balance	Reason for unsettlement or carryforward
Frozen funds	248,322,766.21	
<b>Total</b>	<b>248,322,766.21</b>	

## 22. Advances from customers

### (1) Presentation of advances from customers

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	17,522,814.61	16,160,671.49
<b>Total</b>	<b>17,522,814.61</b>	<b>16,160,671.49</b>

There were no significant advances from customers that were over 1 year or overdue at the end of the current period.

## 23. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	6,864,383,635.25	12,379,125,542.70
<b>Total</b>	<b>6,864,383,635.25</b>	<b>12,379,125,542.70</b>

There were no significant contract liabilities that were over 1 year at the end of the current period.

The Company is subject to the disclosure requirements for the food and wine & liquor production industry in Guidelines No. 3 of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies—Industry-specific Information Disclosure.

Presented by aging:

Unit: RMB

Aging	Gross amount
Within 1 year	6,632,891,591.37
1 to 2 years	55,980,731.08
2 to 3 years	32,663,322.45
More than 3 years	142,847,990.35
<b>Total</b>	<b>6,864,383,635.25</b>

Top five entities with respect to contract liabilities at the end of the current period:

The aggregate amount of the contract liabilities of the top five entities stood at RMB1,631,958,406.45 at the end of the current period, accounting for 23.77% of the total contract liabilities at the end of the current period.

## 24. Employee benefits payable

### (1) Presentation of employee benefits payable

Unit: RMB



Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I Short-term remuneration	3,374,370,891.04	7,252,148,332.40	6,754,410,846.67	3,872,108,376.77
II Post-employment benefits - defined contribution plans	155,938.84	1,174,426,080.45	1,174,567,959.63	14,059.66
III Dismissal benefits	1,000,000.00		1,000,000.00	
Total	3,375,526,829.88	8,426,574,412.85	7,929,978,806.30	3,872,122,436.43

**(2) Presentation of short-term remuneration**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salaries, bonuses, allowances and subsidies	3,260,401,184.55	6,043,450,549.16	5,493,073,064.22	3,810,778,669.49
2. Employee benefits		122,008,421.68	122,008,421.68	
3. Social insurance charges	165,839.00	387,295,206.13	387,306,366.48	154,678.65
Including: Medical insurance premium	154,486.34	347,806,598.90	347,806,598.90	154,486.34
Industrial injury insurance premium	11,267.80	38,986,924.35	38,998,084.70	107.45
Birth insurance premium	84.86	501,682.88	501,682.88	84.86
4. Housing provident fund	93,999,694.00	573,829,819.64	631,161,145.64	36,668,368.00
5. Labor union expenditure and personnel educational fund	19,804,173.49	125,564,335.79	120,861,848.65	24,506,660.63
Total	3,374,370,891.04	7,252,148,332.40	6,754,410,846.67	3,872,108,376.77

**(3) Presentation of defined contribution plans**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	150,836.38	742,608,790.54	742,745,567.26	14,059.66
2. Unemployment insurance premium	5,102.46	27,770,183.44	27,775,285.90	
3. Corporate pension contribution		404,047,106.47	404,047,106.47	
Total	155,938.84	1,174,426,080.45	1,174,567,959.63	14,059.66

**25. Taxes and levies payable**

Unit: RMB

Item	Closing balance	Opening balance
VAT	1,287,318,757.45	1,081,836,866.14
Consumption tax	1,576,918,931.41	921,407,756.36
Corporate income tax	2,936,171,629.30	3,017,389,769.33

Individual income tax	57,956,239.44	26,308,217.47
Urban maintenance and construction tax	207,087,550.24	143,754,429.94
Education surcharge	89,319,297.77	62,118,360.81
Local education surcharge	59,551,377.32	41,417,432.28
Deed tax	44,169,896.88	
Stamp duty	8,857,961.71	6,357,506.98
Land use tax	669,153.14	669,153.14
Property tax	425,171.77	441,068.14
Environmental protection tax	12,179.34	17,625.34
<b>Total</b>	<b>6,268,458,145.77</b>	<b>5,301,718,185.93</b>

Other information: The taxes and levies of the Company depend on the amount verified and imposed by the tax authorities.

## 26. Current portion of non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Current portion of lease liabilities	14,512,448.92	375,682,599.77
<b>Total</b>	<b>14,512,448.92</b>	<b>375,682,599.77</b>

## 27. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	663,723,991.63	1,544,723,419.34
<b>Total</b>	<b>663,723,991.63</b>	<b>1,544,723,419.34</b>

## 28. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	115,722,608.68	16,976,148.73
<b>Total</b>	<b>115,722,608.68</b>	<b>16,976,148.73</b>

## 29. Deferred income

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause
Government grants	254,416,864.75	10,383,695.10	11,757,234.48	253,043,325.37	
<b>Total</b>	<b>254,416,864.75</b>	<b>10,383,695.10</b>	<b>11,757,234.48</b>	<b>253,043,325.37</b>	--

## 30. Share capital

Unit: RMB

	Opening balance	Increase/decrease in the current period (+/-)					Closing balance
		New issue	Bonus issue from profit	Bonus issue from capital reserves	Others	Subtotal	
Total shares	3,881,608,005.00						3,881,608,005.00

**31. Capital reserves**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	2,682,523,702.98			2,682,523,702.98
Other capital reserves	123,383.17			123,383.17
<b>Total</b>	<b>2,682,647,086.15</b>			<b>2,682,647,086.15</b>

**32. Surplus reserves**

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	28,432,482,367.38	5,156,071,135.43		33,588,553,502.81
<b>Total</b>	<b>28,432,482,367.38</b>	<b>5,156,071,135.43</b>		<b>33,588,553,502.81</b>

**33. Retained earnings**

Unit: RMB

Item	2023	2022
Retained earnings at the end of the prior period before adjustment	79,028,605,172.04	68,638,139,859.37
Total retained earnings at the beginning of the period before adjustment (“+” for increase, “-” for decrease)	2,554,581.61	3,164,556.82
Retained earnings at the beginning of the period after adjustment	79,031,159,753.65	68,641,304,416.19
Plus: Net profit attributable to owners of the Company as the parent in the current period	30,210,585,269.30	26,689,983,647.20
Less: Appropriation to statutory surplus reserves	5,156,071,135.43	4,566,027,354.25
Dividends payable to ordinary shareholders	14,680,241,440.97	11,734,100,955.49
Retained earnings at the end of the period	89,405,432,446.55	79,031,159,753.65

Adjustments to the retained earnings at the beginning of the period:

1) The retained earnings at the beginning of the period are adjusted by RMB2,554,581.61 due to the retroactive adjustment according to the Accounting Standards for Business Enterprises and relevant new provisions.

2) The retained earnings at the beginning of the period are adjusted by RMB0.00 due to changes in accounting policies.

3) The retained earnings at the beginning of the period are adjusted by RMB0.00 due to correction of major accounting errors.

4) The retained earnings at the beginning of the period are adjusted by RMB0.00 due to changes in the combination scope arising from the same control.

5) The retained earnings at the beginning of the period are adjusted by RMB0.00 in total due to other adjustments.

**34. Operating revenue and cost of sales**

Unit: RMB

Item	2023	2022
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	Revenue	Costs	Revenue	Costs
Principal operations	82,695,377,235.30	19,748,584,265.47	73,363,741,120.87	17,732,568,111.41
Other operations	576,690,081.89	408,559,686.74	604,899,583.67	445,857,548.23
Total	83,272,067,317.19	20,157,143,952.21	73,968,640,704.54	18,178,425,659.64

Whether the lower of net profit before or after exceptional gains and losses is negative

Yes  No

Breakdown of operating revenue and cost of sales of liquor products in the current period:

Unit: RMB

Type of contract	Liquor products	
	Operating revenue	Cost of sales
By operating segment		
East China	22,388,529,236.37	3,340,594,216.75
South China	6,810,441,782.70	993,558,777.69
West China	26,215,491,173.54	6,047,557,225.84
North China	8,074,372,025.55	1,147,821,771.10
Central China	12,958,259,027.46	2,295,397,807.81
By sales channel		
Online	4,165,629,988.73	539,414,059.41
Offline	72,281,463,256.89	13,285,515,739.78
Total	76,447,093,245.62	13,824,929,799.19

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 RMB6,864,383,635.25.

### 35. Tax and surcharges

Unit: RMB

Item	2023	2022
Consumption tax	10,073,003,802.01	8,653,332,472.22
Urban maintenance and construction tax	1,321,451,792.67	1,132,484,875.40
Education surcharge	560,138,465.48	486,699,510.87
Tax on natural resources	79,839.10	92,594.00
Property tax	45,963,481.48	47,802,066.72
Land use tax	78,671,329.71	48,955,268.10
Vehicle and vessel usage tax	87,935.59	105,993.23
Stamp duty	65,275,884.86	54,296,957.03
Local education surcharge	386,193,282.49	324,466,433.74
Environmental protection tax	829,815.03	566,205.73
Total	12,531,695,628.42	10,748,802,377.04

### 36. Administrative expenses

Unit: RMB

Item	2023	2022
Comprehensive expenses of the Company (including travel, office,	1,439,311,083.54	1,302,358,844.82

expenses of the Board of Directors, employee remuneration, labor insurance, labor protection appliances, etc.)		
Rents	12,276,646.11	12,138,843.91
Trademark and logo royalties	966,368,193.34	863,873,404.43
Comprehensive service fee	86,669,431.21	78,322,182.60
Others	814,819,985.57	811,425,992.69
Total	3,319,445,339.77	3,068,119,268.45

**37. Selling expenses**

Unit: RMB

Item	2023	2022
Image publicity expense	1,433,975,889.27	1,240,440,205.34
Sales promotional expense	4,540,282,674.32	3,889,326,216.67
Storage and logistics expenses	546,674,750.94	476,754,635.74
Expenses of labor	735,243,412.93	718,179,395.38
Other expenses	540,121,690.67	519,536,560.04
Total	7,796,298,418.13	6,844,237,013.17

**38. Research and development expense**

Unit: RMB

Item	2023	2022
Comprehensive expenses (including travel, office, payroll, labor insurance, labor protection appliances, etc.)	198,867,638.61	159,734,978.88
Material expenses	40,610,966.53	24,305,191.52
Product design fees	11,372,974.54	14,835,860.22
Depreciation and amortization expenses	21,051,089.93	15,940,284.31
Technical service expenses	16,761,748.34	3,774,509.39
Others	33,180,747.33	17,192,821.47
Total	321,845,165.28	235,783,645.79

**39. Finance costs**

Unit: RMB

Item	2023	2022
Interest costs	11,618,338.87	48,003,667.91
Less: Interest income	2,487,953,643.33	2,075,700,630.12
Exchange loss	162,763.33	394,735.15
Less: Exchange gains	867,465.32	509,873.32
Service charge of financial institutions	2,314,624.32	1,903,782.68
Others	1,554,705.86	-442,730.22
Total	-2,473,170,676.27	-2,026,351,047.92

**40. Other income**

Unit: RMB

Sources of other income	2023	2022
Government subsidies	236,257,100.25	100,421,839.81

Tax rebates	83,435,000.00	72,322,800.00
Tax preferences	10,978,103.25	13,781,264.60
Total	330,670,203.50	186,525,904.41

**41. Return on investment**

Unit: RMB

Item	2023	2022
Return on long-term equity investments measured using the equity method	57,617,083.91	92,571,951.15
Total	57,617,083.91	92,571,951.15

**42. Credit impairment loss**

Unit: RMB

Item	2023	2022
Loss on uncollectible accounts receivable	840,903.29	284,297.70
Loss on uncollectible other receivables	-1,613,094.58	-1,722,230.36
Total	-772,191.29	-1,437,932.66

**43. Asset impairment loss**

Unit: RMB

Item	2023	2022
Inventory valuation loss and impairment loss on contract performance costs	-3,932,827.97	-5,552,799.12
Impairment loss on fixed assets		-20,654,660.75
Total	-3,932,827.97	-26,207,459.87

**44. Asset disposal income**

Unit: RMB

Source of asset disposal income	2023	2022
Disposal of non-current assets	1,272,004.07	3,347,202.23
Total	1,272,004.07	3,347,202.23

**45. Non-operating income**

Unit: RMB

Item	2023	2022	Amounts included in current exceptional profit or loss
Penalty income	16,128,158.86	7,902,851.31	16,128,158.86
Gains from scrap of non-current assets	223,214.40	4,916,136.57	223,214.40
Others	29,000,303.43	26,066,282.98	29,000,303.43
Total	45,351,676.69	38,885,270.86	45,351,676.69

**46. Non-operating expense**

Unit: RMB

Item	2023	2022	Amounts included in current exceptional profit or loss
Donations	49,212,109.00	57,541,747.10	49,212,109.00

Penalty expenditure	958,262.48	578,945.52	958,262.48
Sponsorship expenditure		1,000,000.00	
Loss on scrap of non-current assets	52,045,444.77	5,981,101.42	52,045,444.77
Exceptional loss	783,415.71	198,610.78	783,415.71
Others	33,334,262.96	44,487,603.43	33,334,262.96
Total	136,333,494.92	109,788,008.25	136,333,494.92

Other information: The donations mainly consisted of RMB27.41 million to Sichuan Wuliangye Charity Foundation and RMB20 million for Sichuan University Education Foundation.

#### 47. Income tax expense

##### (1) List of income tax expense

Unit: RMB

Item	2023	2022
Current income tax expense	10,556,884,102.80	9,492,020,759.10
Deferred income tax expense	-164,979,741.31	-358,285,618.13
Total	10,391,904,361.49	9,133,735,140.97

##### (2) Reconciliation from accounting profit to income tax expense

Unit: RMB

Item	2023
Gross profit	41,912,681,943.64
Income tax expense based on the statutory/applicable tax rates	10,478,170,485.91
Effects of different tax rates of subsidiaries	-110,497,338.45
Effects of adjustments to income tax of the prior period	28,847,896.35
Effects of non-taxable revenue	-14,404,270.98
Effects of non-deductible costs, expenses and losses	25,066,594.26
Effects of the utilization of deductible losses on which deferred income tax assets were unrecognized in the prior period	-669,965.33
Effects of deductible temporary differences or losses on which deferred income tax assets are unrecognized in the current period	35,656,382.23
Effects of the utilization of temporary differences on which deferred income tax assets were unrecognized in the prior period	
Effects of the over-deduction in the calculation of the taxable amount in relation to wages for the disabled employees	-20,349,586.03
Effects of the 10% preferential income tax rate for stream revenue	
Effects of the over-deduction in the calculation of the taxable amount in relation to R&D expense	-30,349,343.98
Effects of the one-time deduction of fixed assets	433,507.51
Income tax expense	10,391,904,361.49

#### 48. Cash flow statement items

##### (1) Cash generated from/used in operating activities

Cash generated from other operating activities:

Unit: RMB

Item	2023	2022
Interest income	1,909,564,581.37	1,547,650,473.84
Security deposits and government grants received	419,279,720.66	458,546,814.57
Total	2,328,844,302.03	2,006,197,288.41

Cash used in other operating activities:

Unit: RMB

Item	2023	2022
Expenses relating to selling	3,632,952,007.86	2,284,853,859.19
Comprehensive service fee	86,669,431.21	78,322,182.60
Trademark and logo royalties	966,368,193.34	863,873,404.43
Security deposits paid, payments for current transactions, and other out-of-pocket expenses	1,134,109,493.45	1,141,487,988.23
Total	5,820,099,125.86	4,368,537,434.45

**(2) Cash generated from/used in investing activities**

Cash used in significant investing activities:

Unit: RMB

Item	2023	2022
Wuliangye Gateway Area Project	627,150,000.00	639,693,000.00
Wuliangye 501 Ancient Fermentation Pits-Chinese Baijiu Cultural Sanctuary Project	590,314,100.00	
Liquor Packaging and Integrated Smart Storage-and-delivery Project	148,811,122.97	329,962,058.24
Qu-making Workshop Expansion Project	402,629,618.92	11,270,239.88
100,000-ton Ecological Brewery Project (Phase I)	199,068,578.65	32,876,521.83
100,000-ton Ecological Brewery Project (Phase II)	336,379,205.24	74,655,448.64
Total	2,304,352,625.78	1,088,457,268.59

**(3) Cash generated from/used in financing activities**

Cash used in other financing activities:

Unit: RMB

Item	2023	2022
Payment for the lease liabilities	428,610,750.02	402,860,485.37
Payments to non-controlling shareholders of subsidiaries for distribution of residual assets in the liquidation and de-registration of subsidiaries		21,148,883.78
Total	428,610,750.02	424,009,369.15

Changes in liabilities as a result of financing activities:

 Applicable  Not applicable
**49. Supplementary information to the cash flow statement****(1) Supplementary information to the cash flow statement**

Unit: RMB

Supplementary information	2023	2022
1. Reconciliation of net profit to net cash generated from/used in		



operating activities		
Net profit	31,520,777,582.15	27,969,785,575.27
Add: Asset impairment allowances	-1,251,003.77	20,844,584.71
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive living assets	441,295,759.85	440,948,448.61
Depreciation of right-of-use assets	391,812,257.29	388,275,480.31
Amortization of intangible assets	73,861,098.14	63,957,908.47
Amortization of long-term prepaid expense	75,155,266.76	72,008,715.93
Loss on the disposal of fixed assets, intangible assets and other long-term assets (“-” for gain)	-1,272,004.07	-3,347,202.23
Loss on the retirement of fixed assets (“-” for gain)	51,822,230.37	1,064,964.85
Loss on changes in fair value (“-” for gain)		
Finance costs (“-” for income)	10,991,017.91	47,867,401.72
Loss on investment (“-” for income)	-57,617,083.91	-92,571,951.15
Decrease in deferred income tax assets (“-” for increase)	-102,321,373.24	-322,329,799.81
Increase in deferred income tax liabilities (“-” for decrease)	-62,658,368.07	-35,955,818.32
Decrease in inventories (“-” for increase)	-1,405,578,216.46	-1,964,349,766.62
Decrease in operating receivables (“-” for increase)	14,309,794,523.00	-3,969,465,671.49
Increase in operating payables (“-” for decrease)	-3,502,331,777.72	1,814,403,391.23
Others		
Net cash generated from/used in operating activities	41,742,479,908.23	24,431,136,261.48
2. Significant investing and financing activities that involve no cash proceeds or payments		
Conversion of debt to capital		
Current portion of convertible corporate bonds		
Fixed assets under finance leases		
3. Net changes in cash and cash equivalents :		
Closing balance of cash	113,095,684,224.30	90,584,643,897.66
Less: Opening balance of cash	90,584,643,897.66	80,975,257,378.72
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	22,511,040,326.64	9,609,386,518.94

## (2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I Cash	113,095,684,224.30	90,584,643,897.66
Of which: Cash on hand	42,156.81	19,772.01
Bank deposits that can be readily drawn on demand	113,032,146,687.11	90,562,914,574.52
Other monetary assets that can be readily drawn on demand	63,495,380.38	21,709,551.13
III Cash and cash equivalents, end of the period	113,095,684,224.30	90,584,643,897.66

**(3) Monetary assets that do not belong to cash and cash equivalents**

Unit: RMB

Item	2023	2022	Reason for not belong to cash and cash equivalents
Security deposits for bank acceptance bills, etc.	200,977,259.48	192,532,713.23	Restricted use
Accrued interest on term deposits	2,159,639,426.86	1,581,250,364.90	Accrued interest
Total	2,360,616,686.34	1,773,783,078.13	

**50. Foreign currency monetary items****(1) Foreign currency monetary items**

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance in RMB
Monetary assets			
Of which: USD	137,664.39	7.0827	975,035.58
EUR			
HKD			
Accounts receivable			
Of which: USD			
EUR			
HKD			
Long-term borrowings			
Of which: USD			
EUR			
HKD			

**(2) Overseas business entities (for substantial overseas business entities, the following information shall be disclosed: principal place of business, functional currency and basis for the choice, change of functional currency and reasons)**

Applicable  Not applicable

**51. Leases****(1) The Company as the lessee**

Applicable  Not applicable

Variable lease payments not included in lease liabilities:

Applicable  Not applicable

Unit: RMB

Item	2023
Variable lease payments not included in lease liabilities	216,068,216.19

Expenses on short-term leases or leases of low-value assets:

Applicable  Not applicable

Unit: RMB

Item	2023
Expenses on short-term leases or leases of low-value assets	30,398,754.21

**(2) The Company as the lessor**

Operating leases with the Company as the lessor:

Applicable  Not applicable

Unit: RMB

Item	Lease income	Of which: Income related to variable lease payments not included in lease receipts
Income from operating leases	4,228,797.39	
Total	4,228,797.39	

Finance leases with the Company as the lessor:

Applicable  Not applicable

Yearly undiscounted lease receipts in the coming five years:

Applicable  Not applicable

Reconciliation from undiscounted lease receipts to net return on leases:

**(3) Recognition of gains and losses on sales under finance leases as a producer or distributor**

Applicable  Not applicable

**VIII R&D Expenditures**

Unit: RMB

Item	2023	2022
Comprehensive expenses (including travel, office, payroll, labor insurance, labor protection appliances, etc.)	198,867,638.61	159,734,978.88
Material expenses	40,610,966.53	24,305,191.52
Product design fees	11,372,974.54	14,835,860.22
Depreciation and amortization expenses	21,051,089.93	15,940,284.31
Technical service expenses	16,761,748.34	3,774,509.39
Others	33,180,747.33	17,192,821.47
Total	321,845,165.28	235,783,645.79
Of which: expensed R&D expenditures	321,845,165.28	235,783,645.79

**1. Significant outsourced R&D projects**

The Company had no significant outsourced R&D projects.

**IX Changes to the Scope of the Consolidated Financial Statements****1. Business combinations involving entities not under common control****(1) Business combinations involving entities not under common control in the current period**

There were no business combinations involving entities not under common control in the Reporting Period.

**2. Business combinations involving entities under common control****(1) Business combinations involving entities under common control in the current period**

There were no business combinations involving entities under common control in the Reporting Period.

**3. Counter purchase**

There was no subsidiary acquired by counter purchase during the Reporting Period.

**4. Disposal of subsidiary**

There was no disposal of subsidiaries during the Reporting Period.

## 5. Changes in the consolidation scope for other reasons

Changes in the consolidation scope for other reasons (incorporation or liquidation of subsidiary, etc.):

As per the Three-year Action for the Reform of State-owned Enterprises at Provincial and Municipal Levels (2020~2022), in order to optimize the branch company and subsidiary allocation as a state-owned enterprise, the Company has strengthened the disposal of less competitive business entities that are not part of its principal operations. The Company's subsidiary Huaibin Wubin Consultation Service Co., Ltd. has been de-registered in 2023.

As approved at the Eighth Meeting of the Sixth Board of Directors of 2023 dated 28 September 2023, the Company's wholly-owned subsidiary Sichuan Yibin Plastic Packaging Materials Company Limited has incorporated "Sichuan Yibin Jiang'an Plastic New Materials Co., Ltd." (hereinafter referred to as "Jiang'an Plastic"). Jiang'an Plastic has a registered capital of RMB50 million, and the Company owns 100% of Jiang'an Plastic.

## X Interests in Other Entities

### 1. Interests in subsidiaries

#### (1) Compositions of the Group

Unit: RMB

Subsidiary	Registered capital	Principal place of business	Place of registration	Nature of business	The Company's interest		How the subsidiary was obtained
					Direct	Indirect	
Sichuan Yibin Wuliangye Distillery Co., Ltd.	85,000,000	Yibin	Yibin	Manufacturing	99.00%	0.99%	Incorporated
Yibin Wuliangye Liquor Sales Co., Ltd.	200,000,000	Yibin	Yibin	Commercial	95.00%		Incorporated
Yibin Wuliangye Tequ and Touqu Brand Marketing Co., Ltd.	20,000,000	Yibin	Yibin	Commercial		95.00%	Incorporated
Yibin Wuliangchun Brand Marketing Co., Ltd.	20,000,000	Yibin	Yibin	Commercial		95.00%	Incorporated
Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.	20,000,000	Yibin	Yibin	Commercial		95.00%	Incorporated
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	30,000,000	Yibin	Yibin	Commercial	99.00%	0.95%	Incorporated
Yibin Jiangjiu Liquor Co., Ltd.	50,000,000	Yibin	Yibin	Manufacturing	100.00%		Incorporated
Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd.	537,000,000	Yibin	Yibin	Manufacturing	51.00%		Incorporated
Sichuan Jinwuxin Technology Co., Ltd.	14,000,000	Yibin	Yibin	Commercial		51.00%	Business combination involving entities not under common control
Sichuan Jiebeike Environmental Technology Co., Ltd.	10,000,000	Yibin	Yibin	Engineering		26.01%	Incorporated
Yibin Changjiangyuan Liquor Co., Ltd.	20,000,000	Yibin	Yibin	Manufacturing	100.00%		Incorporated
Yibin Changjiangyuan Trade Co., Ltd.	19,800,000	Yibin	Yibin	Commercial		100.00%	Incorporated

Yibin Changjiangyuan Brewery Co., Ltd.	18,900,000	Yibin	Yibin	Manufacturing		100.00%	Incorporated
Yibin Wuliangye Organic Agriculture Development Co., Ltd.	10,000,000	Yibin	Yibin	Agricultural		100.00%	Incorporated
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	3,000,000	Yibin	Yibin	Manufacturing	90.00%		Incorporated
Yibin Xianlin Liquor Marketing Co., Ltd.	3,000,000	Yibin	Yibin	Commercial		90.00%	Incorporated
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	14,000,000	Yibin	Yibin	Manufacturing	97.00%	1.53%	Incorporated
Yibin Xinxing Packaging Co., Ltd.	5,000,000	Yibin	Yibin	Commercial		98.53%	Incorporated
Sichuan Yibin Plastic Packaging Materials Company Limited	150,000,000	Yibin	Yibin	Manufacturing	100.00%		Business combination involving entities not under common control
Sichuan Yibin Plastic New Materials Company Limited	50,000,000	Yibin	Yibin	Manufacturing		100.00%	Incorporated
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	100,000,000	Yibin	Yibin	Manufacturing	100.00%		Business combination involving entities not under common control
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	200,000,000	Yibin	Yibin	Manufacturing	100.00%		Business combination involving entities not under common control
Sichuan Yibin Push Group 3D Co., Ltd.	22,133,300	Yibin	Yibin	Manufacturing	100.00%		Business combination involving entities not under common control
Guangdong Plastic Packaging Materials Company Limited	49,000,000	Foshan	Foshan	Manufacturing		100.00%	Incorporated
Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.	50,000,000	Yibin	Yibin	Investment	95.00%		Incorporated
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	20,000,000	Beijing	Beijing	Commercial	95.00%		Incorporated
Handan Yongbufenli Liquor Co., Ltd.	500,000,000	Handan	Handan	Manufacturing	51.00%		Incorporated
Linzhang Desheng Liquor Trade Co., Ltd.	1,000,000	Handan	Handan	Commercial		51.00%	Incorporated
Handan Yongbufenli Sales Co., Ltd.	5,000,000	Handan	Handan	Commercial		51.00%	Incorporated
Wuguchun Jiu Ye Co., Henan. China	373,280,762	Huaibin	Huaibin	Manufacturing	51.03%		Business combination involving

							entities not under common control
Huaibin Tenglong Trade Co., Ltd.	5,000,000	Huaibin	Huaibin	Commercial		51.03%	Incorporated
Wuguchun Jiu Ye Sales Co., Henan. China	10,000,000	Huaibin	Huaibin	Commercial		51.03%	Incorporated
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	50,000,000	Yibin	Yibin	Tourism	80.00%		Incorporated
Sichuan Wuliangye Tourist Agency Co., Ltd.	1,000,000	Yibin	Yibin	Tourism		80.00%	Incorporated
Yibin Wuliangye Creart Co., Ltd.	100,000,000	Yibin	Yibin	Commercial	45.00%		Incorporated
Sichuan Wuliangye NongXiang Baijiu Co., Ltd.	100,000,000	Yibin	Yibin	Commercial	95.00%		Incorporated
Sichuan Wuliangye New Retail Management Co., Ltd.	100,000,000	Chengdu	Chengdu	Commercial	90.00%		Incorporated

Note on the difference between shareholding proportion and proportion of voting rights 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 RMB100 million. The Company contributes RMB45 million, taking up 45% of the registered capital. On 9 December 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 23 February 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 16 July 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 rights 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:

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 RMB100 million. The Company contributes RMB45 million, taking up 45% of the registered capital. On 9 December 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 23 February 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 16 July 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 rights at shareholder meetings of Creart Company, and therefore it is included in the consolidated statements.

**(2) Important non-wholly-owned subsidiaries**

Unit: RMB

Subsidiary	Non-controlling interests	Net profit or loss attributable to non-controlling interests in the current period	Declared dividends for non-controlling interests in the current period	Closing balance of non-controlling interests
Yibin Wuliangye Liquor Sales Co., Ltd.	5.00%	1,072,229,395.63	893,324,237.86	1,716,732,675.65

**(3) Key financial information of important non-wholly-owned subsidiaries**

Unit: RMB

Subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yibin Wuliangye Liquor Sales Co., Ltd.	50,607,865,351.64	3,063,184,649.27	53,671,050,000.91	19,615,941,084.61	11,076,120.80	19,627,017,205.41
	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	52,251,794,015.91	1,904,159,326.64	54,155,953,342.55	23,671,251,317.50	18,772,384.76	23,690,023,702.26

Unit: RMB

Subsidiary	2023			
	Operating revenue	Net profit	Total comprehensive income	Net cash generated from/used in operating activities
Yibin Wuliangye Liquor Sales Co., Ltd.	61,829,117,337.04	21,444,587,912.50	21,444,587,912.50	27,830,372,649.88
	2022			
	Operating revenue	Net profit	Total comprehensive income	Net cash generated from/used in operating activities
	55,106,792,873.09	19,856,120,656.12	19,856,120,656.12	17,366,966,563.43



## 2. Transactions in which the interest in a subsidiary changes and the subsidiary is still controlled by the Company

### (1) Changes in the Company's interests in its subsidiaries

There were no transactions in which the interest in a subsidiary changes and the subsidiary is still controlled by the Company during the Reporting Period.

## 3. Interests in joint ventures or associates

### (1) Important joint ventures or associates

Joint venture or associate	Principal place of business	Place of registration	Nature of business	The Company's interest (%)		Accounting treatment of investment in the joint venture or associate
				Direct	Indirect	
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Yibin	Yibin	Finance	40.56%		Equity method

### (2) Key financial information of important associates

Unit: RMB

	Closing balance/2023	Opening balance/2022
	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Sichuan Yibin Wuliangye Group Finance Co., Ltd.
Current assets	11,767,876,781.26	10,716,370,139.80
Non-current assets	41,146,331,998.09	33,512,182,650.82
Total assets	52,914,208,779.35	44,228,552,790.62
Current liabilities	48,080,869,222.79	39,453,741,415.00
Non-current liabilities	5,478,067.66	16,087,688.44
Total liabilities	48,086,347,290.45	39,469,829,103.44
Non-controlling interests		
Equity attributable to the shareholders of the Company as the parent	4,827,861,488.90	4,758,723,687.18
Share of net assets in proportion to the Company's interest	1,958,180,619.90	1,930,138,327.52
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Carrying amount of equity investments in associates	1,958,180,619.90	1,930,138,327.52
Fair value of equity investments in associates with quoted prices on the open market		
Operating revenue	408,060,943.58	478,928,872.79
Net profit	127,417,801.72	215,835,825.86
Net profit of discontinued operations		

Other comprehensive income		
Total comprehensive income	127,417,801.72	215,835,825.86
Dividends received from the associates in the current period	23,638,368.00	23,038,080.00

### (3) Aggregate financial information of unimportant joint ventures and associates

Unit: RMB

	Closing balance/2023	Opening balance/2022
Joint ventures:		
Aggregate amount in proportion to the Company's interests		
Associates:		
Total carrying amount of investments	62,185,620.79	56,249,197.26
Aggregate amount in proportion to the Company's interests		
--Net profit	5,936,423.53	5,028,940.18
--Total comprehensive income	5,936,423.53	5,028,940.18

### 4. Interests in structured entities not included in the consolidated financial statements

There were no structured entities that were not included in the consolidated financial statements in the Reporting Period.

#### XI Government Grants

##### 1. Government grants recognised at the end of the Reporting Period at the amount receivable

Applicable  Not applicable

Reasons for not receiving the projected amount of government grants at the projected time:

Applicable  Not applicable

##### 2. Liability items involving government grants

Applicable  Not applicable

Unit: RMB

Accounting item	Opening balance	New grant in the current period	Amount recorder in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income	251,279,149.22	10,383,695.10		9,835,774.46		251,827,069.86	Related to assets
Deferred income	3,137,715.53			1,921,460.02		1,216,255.51	Related to income
Total	254,416,864.75	10,383,695.10		11,757,234.48		253,043,325.37	

##### 3. Government grants through profit or loss

Applicable  Not applicable

Unit: RMB

Accounting item	2023	2022
Other income	236,257,100.25	100,421,839.81

## XII Disclosure of Fair Value

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

Unit: RMB

Item	Closing fair value			Total
	Fair value measurement at level I	Fair value measurement at level II	Fair value measurement at level III	
I Consistent fair value measurement	--	--	--	--
Receivables financing			14,086,450,565.79	14,086,450,565.79
Other non-current financial assets			1,200,000.00	1,200,000.00
Total assets measured at fair value on an ongoing basis			14,087,650,565.79	14,087,650,565.79
II Fair value measurement on a non-ongoing basis	--	--	--	--

### 2. Basis for determining the market value of fair value measurement at level I on an ongoing and non-ongoing bases

Not applicable

### 3. For fair value measurement at level II on an ongoing and non-ongoing bases, qualitative and quantitative information on the valuation techniques used and significant parameters

Not applicable

### 4. For fair value measurement at level III on an ongoing and non-ongoing bases, qualitative and quantitative information on the valuation techniques used and significant parameters

Receivables 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 fair value measurement at level III on an ongoing basis, reconciliation information between beginning and ending carrying values and sensitivity analysis of unobservable parameters

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

Not applicable

### 7. Changes in valuation techniques occurring in the current period and reasons for changes

Not applicable

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

Not applicable

**XIII Related Parties and Related-Party Transactions****1. Information on the parent company of the Company**

Name of the parent company	Place of registration	Nature of business	Registered capital	The parent company's interest in the Company	The parent company's voting right percentage in the Company
Yibin Development Holding Group Co., Ltd.	Yibin	Investment	RMB5 billion	34.43%	34.43%

Information on the 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 Han Chengke and its registered capital is RMB5 billion. 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 an investment and financing platform of the People's Government of Yibin City, and investing in such projects by shareholding and holding; third, promoting the preserve and increase 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 share capital of the Company.

The State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City is the ultimate controller of the Company.

**2. Subsidiaries of the Company**

Refer to the Note "X Interests in Other Entities" for information about subsidiaries of the Company.

**3. Joint ventures and associates of the Company**

Refer to the Note "X Interests in Other Entities" for information about important joint ventures and associates of the Company.

Other joint ventures or associates that were involved in related-party transactions with the Company in the current period, or that were involved in related-party transactions with the Company in prior periods with balances lasting into the current period:

Name of joint venture or associate	Relationship with the Company
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Associate
Yibin Jiamei Intelligent Packaging Co., Ltd.	Associate

**4. Other related parties**

Names of other related parties	Relationship between other related parties and the Company
Sichuan Yibin Wuliangye Group Co., Ltd.	The legal representative of the Company concurrently serves as the Secretary of the CPC Committee and Chairman of the Board of Wuliangye Group, and some directors and officers of the Company concurrently hold positions in Wuliangye Group. Wuliangye Group directly holds a 20.40% interest in the Company.
Anji Logistic Group Co., Ltd. Sichuan	Subsidiary of Wuliangye Group
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Subsidiary of Anji Logistic Group
Yibin Wuliangye Group I&E Co., Ltd.	Subsidiary of Wuliangye Group

Sichuan Yibin Push Group Co., Ltd.	Subsidiary of Wuliangye Group
Sichuan Yibin Push Mold Co., Ltd.	Subsidiary of Push Group
Sacred Mountain Molin Group Co., Ltd. Si Chuan	Subsidiary of Wuliangye Group
Sichuan Wuliangye Products Co., Ltd.	Subsidiary of Wuliangye Group
Sichuan Yibin Global Group Co., Ltd.	Subsidiary of Wuliangye Group
Sichuan Yibin Global Huaxin Commercial Development Co., Ltd.	Subsidiary of Global Group
WuLiangYe Group Health Liquor Co., Ltd. Yibin. Sichuan	Subsidiary of Wuliangye Group
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Subsidiary of Global Group
Chengdu PUTH Medical Technology Co., Ltd.	Subsidiary of Push Group
Sichuan Yibin Push Building Materials Co., Ltd.	Subsidiary of Push Group
Sichuan Yibin Push Auto Parts Co., Ltd.	Subsidiary of Push Group
Push Information & Automation (Chengdu) Co., Ltd.	Subsidiary of Push Group
Yibin An Shi Ji International Logistics Co., Ltd.	Subsidiary of Anji Logistic Group
Yibin An Shi Ji Auto Service Co., Ltd.	Subsidiary of Anji Logistic Group
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Subsidiary of Wuliangye Group
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Subsidiary of Push Group
Chengdu Huayu Glass Manufacturing Co., Ltd.	Subsidiary of Global Group
Yibin Push Linko Technology Co., Ltd.	Subsidiary of Push Group
Sichuan Putian Packaging Co., Ltd.	Subsidiary of Push Group
Sacred Mountain White Magnolia Industrial Co., Ltd., Sichuan	Subsidiary of Sacred Mountain Molin Group
Yibin Push Assets Management Co., Ltd.	Subsidiary of Push Group
Sichuan Andaxin Logistics Co., Ltd.	Subsidiary of Anji Logistic Group
Sichuan Yibin Global Environmental Technology Co., Ltd.	Subsidiary of Global Group
Wuming Tea Industry Holding Co., Ltd.	Subsidiary of Wuliangye Tea Industry Development Fund
Sichuan Linhu Tea Industry Co., Ltd.	Subsidiary of Chuanhong Tea Group
Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Subsidiary of Wuliangye Group
Yibin Wucai Packaging Co., Ltd.	Subsidiary of Licai Group
Sichuan Wuliangye Baojianjiu Sales Co., Ltd.	Subsidiary of Health Liquor Group
Sichuan Nongwu E-commerce Co., Ltd.	Subsidiary of Chuanhong Tea Group
Sichuan Global Insulator Co., Ltd.	Subsidiary of Global Group
Sichuan Shuzhan New Materials Co., Ltd.	Subsidiary of Sacred Mountain Molin Group
Yibin Jichi Automobile Sales Service Co., Ltd.	Subsidiary of Anji Logistic Group
Yibin Chuanhong Tea Group Co., Ltd.	Subsidiary of Wuliangye Tea Industry Development Fund
Sichuan Yibin Push International Co., Ltd.	Subsidiary of Push Group
Yibin Tianyuan Goods&Materials Industry Group Co., Ltd.	Subsidiary of Tianyuan Group
Zhejiang Pukai New Material Co., Ltd.	Subsidiary of Push Group
Yibin Airport Aviation Service Co., Ltd.	Subsidiary of Sanjiang Investment and Construction Group
Yibin Grace Fiber Industry Co., Ltd.	Subsidiary of Grace Group
Yibin Hiest Fibre Limited Corporation	Subsidiary of Grace Group

Yibin City Commercial Bank Co., Ltd.	Wuliangye Group holds a 19.99% interest.
Sichuan Yibin Push Drive Co., Ltd.	Subsidiary of Push Group
Yibin Airport Group Co., Ltd.	Subsidiary of Sanjiang Investment and Construction Group
Yibin Shunan Cultural Tourism and Creative Product Development Co., Ltd.	Subsidiary of Shunan Cultural Tourism Investment Group
Yibin Construction Investment Group Jinpaiyuan Supply Chain Management Co., Ltd.	Subsidiary of Yibin Urban and Traffic Construction Investment Group
Chengdu Anjiu Supply Chain Co., Ltd.	Subsidiary of Anji Logistic Group
Sichuan United Liquor Investment Management Co., Ltd.	Subsidiary of Anji Logistic Group
Yibin Xinjinxiu Garden Landscaping Co., Ltd.	Subsidiary of Grace Group
Yibin Shunan Mingkun Supply Chain Service Co., Ltd.	Subsidiary of Shunan Cultural Tourism Investment Group
Yibin Sanjiang Huiyuanhe Agricultural Investment Development Co., Ltd.	Subsidiary of Sanjiang Investment and Construction Group
Yibin Sanjiang Xingcheng Supply Chain Co., Ltd.	Subsidiary of Sanjiang Investment and Construction Group

## 5. Related-party transactions

### (1) Related-party transactions involving purchase and sale of goods, as well as receipt and rendering of services

Purchases of goods/receipt of services:

Unit: RMB

Related party	Content of transaction	2023	Approved transaction amount	Over the approved transaction amount or not	2022
Sichuan Yibin Global Huaxin Commercial Development Co., Ltd.	Raw materials, glass bottles, etc.	345,907,293.22			486,353,033.02
Sacred Mountain Molin Group Co., Ltd. Si Chuan	PPE, etc.	335,758,450.45			342,638,288.79
Sacred Mountain White Magnolia Industrial Co., Ltd., Sichuan	PPE, etc.	86,640,642.77			16,261,166.33
Sichuan Yibin Push Group Co., Ltd.	Anti-counterfeit labels etc.	83,205,248.58			74,657,518.94
Sichuan Wuliangye Products Co., Ltd.	Raw materials, etc.	73,672,782.98			74,547,521.47
Chengdu PUTH Medical Technology Co., Ltd.	Raw materials, etc.	66,301,152.60			70,910,604.02
Wuming Tea Industry Holding Co., Ltd.	Tea, etc.	123,641,087.35			54,932,985.64
Yibin Chuanhong Tea Group Co., Ltd.	Tea	61,008,968.67			29,638,828.00
Sichuan Yibin Push Mold Co., Ltd.	Raw materials, etc.	51,994,509.33			64,080,623.14
WuLiangYe Group Health Liquor Co., Ltd. Yibin. Sichuan	Health liquor	105,592,684.05			
Sichuan Putian Packaging Co., Ltd.	Raw materials, etc.	31,306,590.02			13,561,665.00
Sichuan Yibin Push Drive Co., Ltd.	Raw materials, etc.	15,120,732.04			17,523,314.19
Chengdu Huayu Glass Manufacturing Co., Ltd.	Glass bottles, etc.	15,641,165.60			21,780,109.59

Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Medicines, etc.	13,113,106.65			14,620,065.38
Sichuan Wuliangye Baojianjiu Sales Co., Ltd.	Health liquor	13,207,079.46			
Yibin Hiest Fibre Limited Corporation	Raw materials	12,521,830.89			
Sichuan Yibin Push Building Materials Co., Ltd.	Raw materials	9,207,131.18			5,487,962.63
Sichuan Yibin Global Environmental Technology Co., Ltd.	Raw materials	9,451,781.36			
Sichuan Yibin Push Auto Parts Co., Ltd.	Raw materials, etc.	6,461,694.76			2,006,480.60
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Raw materials, etc.	20,965.18			12,271,638.57
Other miscellaneous purchases of goods from related parties		18,659,774.34			7,280,955.55
Total purchases of goods from related parties		1,478,434,671.48			1,308,552,760.86
Anji Logistic Group Co., Ltd. Sichuan	Freight and miscellaneous charges, service charges, etc.	803,492,724.65			797,438,814.15
Sichuan Andaxin Logistics Co., Ltd.	External labour costs	181,926,238.47			77,361,088.22
Yi Bin Jia Mei Smartpackaging Co., Ltd.	External processing expenses	89,536,333.71			87,842,293.03
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Freight and miscellaneous charges, shuttle service charges, etc.	62,557,181.29			69,437,258.05
Chengdu PUTH Medical Technology Co., Ltd.	External processing expenses	32,806,254.52			
Yibin Airport Group Co., Ltd.	Image promotion expenses	16,426,886.78			
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Repair expenses, etc.	13,983,192.08			9,875,552.57
Sichuan Yibin Push Mold Co., Ltd.	Repair expenses, etc.	11,956,562.90			
Yibin Wucai Packaging Co., Ltd.	External processing expenses	11,448,519.86			3,064,274.15
Yibin An Shi Ji Auto Service Co., Ltd.	Freight and miscellaneous charges, repair charges, vehicle costs, etc.	7,436,793.63			5,718,811.96
WuLiangYe Group Health Liquor Co., Ltd. Yibin. Sichuan	Marketing support expenses				8,157,421.41
Other miscellaneous receipts of services from related parties		16,334,682.82			7,552,474.39
Total receipts of services from related parties		1,247,905,370.71			1,066,447,987.93

Note 1: The Company and Sichuan Yibin Global Huaxin Commercial Development Co., Ltd. entered into the Purchase and Sales Agreement and Agreement, according to which the Company procures raw materials, cartons, glass bottles, etc. from Huaxin. The pricing principle is market quotations, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 2: The Company and Sacred Mountain Molin Group Co., Ltd. Si Chuan entered into the Labor Protection Appliances, Packing Bags, and Festival Food Supply Agreement on 1 January 2021, according to



which the Company procures labor protection appliances, packing bags, and festival food from Sacred Mountain Molin Group. The pricing principle is negotiable bidding, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 3: The Company and Chengdu PUTH Medical Technology Co., Ltd. entered into Procurement Contract. The Company procures films, bags, boxes, accessories, etc. from PUTH Medical. According to the bid agreement, the Company will place an order with Chengdu Push Medical Plastics Packaging Co., Ltd. with the bid result. Specific information on the name, quantity, amount, etc. of accessories can be seen in the procurement orders signed by both parties. The price of goods is the factory price in lump sum, including the factory price of materials, packing expenses, transportation loss charges, transportation expenses, and various testing fees of the material, various risks, profits, taxes, and other expenses. The Agreement is valid for three year since the bid opening day.

Note 4: On 11 December 2020, the Company and Sichuan Yibin Push Mold Co., Ltd. entered into the Supply Agreement. The Company procures molds, spare parts, systems, R&D restructuring and maintenance projects, injection products and raw material, value-added services and so on from Sichuan Yibin Push Mold Co., Ltd. The agreement products are paid at market price, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 5: On 5 March 2021, the Company and Sichuan Yibin Push Group Co., Ltd. entered into the Related-Party Transaction Framework Agreement. The Company procures equipment and anti-counterfeit labels from Push Group. Refer to corresponding purchases and sales contract for details on sales of goods, unit, quantity, and amount. The product price is the factory price in lump sum, including the factory price of materials, packing expenses, and various testing fees of the material, various risks, profits, taxes (utilizing the tax rate adjusted by the country) and other expenses. If delivery is requested, extra expenses such as the freight charge, insurance expense and delivery expense are needed based on the factory price. The Agreement is valid from 5 March 2021 to 31 December 2023.

Note 6: The Company and Wuming Tea Industry Holding Co., Ltd. entered into the Agreement, according to which the Company procures tea leaves and peripheral products of tea, tea-related prepackaged foods and tea for heatstroke prevention and cooling, papers products, and marketing products from Wuming Tea Industry Holding Co., Ltd. The pricing principle is based on the value and cost, oriented by market competition, taking the historical price for reference and the costs, profits, taxes and dues, quality, delivery date, order quantity, after-sales service, logistics, packaging, payment terms into full consideration. The specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 7: The Company and Anji Logistic Group Co., Ltd. Sichuan entered into the Agreement on 1 January 2021, according to which the Company procures the services of transportation and delivery, warehousing and stevedoring. The pricing principle is price fairness, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Sale of goods/rendering of services:

Unit: RMB

Related party	Content of transaction	2023	2022
Yibin Wuliangye Group I&E Co., Ltd.	Liquor products, etc.	1,004,222,636.50	890,325,314.77
Yibin Shunan Cultural Tourism and Creative Product Development Co., Ltd.	Liquor products, etc.	442,699,754.58	
Wuming Tea Industry Holding Co., Ltd.	Liquor products, etc.	385,159,074.92	88,605,502.59
Yibin Construction Investment Group Jinpaiyuan Supply Chain Management Co., Ltd.	Liquor products	300,887,362.93	
Sichuan Putian Packaging Co., Ltd.	Bottle caps, packaging boxes, etc.	150,137,380.27	147,098,873.26
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Liquor products	119,551,045.09	3,233,235.08



Sichuan Global Insulator Co., Ltd.	Glass bottles, etc.	49,013,139.34	85,983,531.87
Chengdu PUTH Medical Technology Co., Ltd.	Raw materials, etc.	41,063,618.50	37,044,899.55
Yibin Airport Aviation Service Co., Ltd.	Liquor products	34,746,079.60	5,094,330.99
Sichuan Yibin Global Group Co., Ltd.	Liquor products	31,880,741.60	
Chengdu Anjiu Supply Chain Co., Ltd.	Raw materials, etc.	30,791,328.97	
Sichuan United Liquor Investment Management Co., Ltd.	Liquor products, etc.	28,903,393.24	
Sichuan Nongwu E-commerce Co., Ltd.	Liquor products	25,314,289.31	41,097,469.02
Zhejiang Pukai New Material Co., Ltd.	Slices	8,449,819.82	9,609,175.58
Chengdu Huayu Glass Manufacturing Co., Ltd.	Cartons, etc.	19,145,337.80	6,311,751.24
Sichuan Yibin Push Building Materials Co., Ltd.	Raw materials, etc.	17,701,766.60	5,730,155.65
Yibin Chuanhong Tea Group Co., Ltd.	Packaging boxes, etc.	8,902,368.69	
Yibin Sanjiang Xingcheng Supply Chain Co., Ltd.	Raw materials, etc.	12,527,086.94	
Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Liquor products, etc.	12,129,216.84	17,820,858.43
Sichuan Yibin Push Drive Co., Ltd.	Slices, etc.	11,016,970.23	10,870,632.10
Sichuan Wuliangye Products Co., Ltd.	Liquor products, and raw materials	9,988,988.06	340,207,564.08
Sichuan Linhu Tea Industry Co., Ltd.	Packaging boxes, etc.	7,140,322.95	2,708,303.80
Yibin Grace Fiber Industry Co., Ltd.	Cartons, arts & crafts, etc.	5,374,624.42	4,139,121.41
Sichuan Shuzhan New Materials Co., Ltd.	Cartons, etc.	3,182,147.56	5,456,605.98
Yibin An Shi Ji International Logistics Co., Ltd.	Liquor products, etc.	1,913,358.12	96,358,269.24
Sichuan Yibin Global Group Co., Ltd.	Glass bottles, raw materials, etc.	401,633.64	59,487,606.48
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Raw materials, etc.	106,620.22	50,054,556.67
Yibin Tianyuan Goods&Materials Industry Group Co., Ltd.	Raw materials, etc.		23,198,309.63
Other miscellaneous sales to related parties		29,854,861.07	29,535,772.80
Total		2,792,204,967.81	1,959,971,840.22

Note 1: On 1 January 2021, the Company and Yibin Wuliangye Group I&E Co., Ltd. entered into the Export Commodities Purchase and Sales Agreement. According to the Agreement, Wuliangye Group I&E 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 Wuliangye Group I&E. Due to some factors such as the change of the exchange rate, the price that the Company charges for the agreed products supplying to Wuliangye Group I&E is floating price. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 2: On 22 December 2020, the Company and Sichuan Putian Packaging Co., Ltd. entered into the Framework Contract. Sichuan Putian Packaging Co., Ltd. procures bulk chemical materials, packaging products and other materials from the Company for production and operation. Refer to corresponding purchases and sales contract for details on sales of goods, unit, quantity, and amount. The product price is the factory price in lump sum, including the factory price of materials, packing expenses, and various testing fees of the material, various risks, profits, taxes (utilizing the tax rate adjusted by the country) and other expenses. If delivery is requested, extra expenses such as the freight charge, insurance expense and delivery expense are needed based on the factory price. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 3: On 1 January 2021, the Company and Sichuan Yibin Global Group Co., Ltd. entered into the Agreement. Sichuan Yibin Global Group Co., Ltd. procures glass bottles and so on from the Company. The pricing principle is as it is agreed in the contract, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 4: The Company and Chengdu PUTH Medical Technology Co., Ltd. entered into the Framework Contract and Related-Party Transaction Framework Agreement. PUTH Medical procures bulk chemical materials, packaging products and other materials from the Company for production and operation. Please refer to corresponding purchases and sales contract for details on sales of goods, unit, quantity, and amount. The product price is the factory price in lump sum, including the factory price of materials, packing expenses, and various testing fees of the material, various risks, profits, taxes (utilizing the tax rate adjusted by the country) and other expenses. If delivery is requested, extra expenses such as the freight charge, insurance expense and delivery expense are needed based on the factory price. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 5: The Company and Sichuan Nongwu E-commerce Co., Ltd. entered into the Agreement. Sichuan Nongwu E-commerce Co., Ltd. procures Wuliang Nongxiang wine from the Company, and the specific purchases and sales demand may be determined according to the orders by the two parties. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 6: On 1 September 2020, the Company and Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. entered into the Base Wine Purchase Agreement. According to the market demand, Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. put forward specific requirements for the quantities, delivery date and so on of the agreed products in advance. Then, the Company supplies the agreed products to it based on its demand for production and operation. For each actual supply of the agreed products, the actual settle quantity should be the quantity determined by both parties, and the price of the agreed products shall strictly obey the market price with the delivery after payment. The Agreement is valid from 1 January 2021 to 31 December 2023.

## (2) Leases between the Company and related parties

The Company as the lessor:

Unit: RMB

Lessee	Type of the leased asset	Lease income recognized in the current period	Lease income recognized in the prior period
Other miscellaneous leases	Buildings and constructions, and warehouses	1,651,136.85	1,325,206.16

## The Company as the lessee:

Unit: RMB

Lessor	Type of the leased asset	Lease expense on short-term leases and leases of low-value assets accounted with a simplified approach (if applicable)		Variable lease payments not included in lease liabilities (if applicable)		Lease payments		Interest expense on lease liabilities		Addition of right-of-use assets	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Anji Logistic Group Co., Ltd. Sichuan	Warehouses		490,000.11	166,606,694.95	61,860,729.58	14,368,683.81	23,103,665.50	854,420.38	757,254.25	58,245,693.25	34,272,706.59
Sichuan Yibin Push Group Co., Ltd.	Buildings and constructions (note 3)					6,715,238.08	6,715,238.08	227,351.66	446,482.91		
Sichuan Yibin Wuliangye Group Co., Ltd.	Buildings and constructions (note 2)	1,384,512.67	1,522,182.20			29,255,400.00	29,255,400.00	547,140.04	1,533,162.69		
Sichuan Yibin Wuliangye Group Co., Ltd.	Land (note 1)					296,608,546.40	296,608,546.40	5,547,229.32	15,544,110.07		
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Warehouses	1,294,889.16				3,970,671.20	3,714,028.94	64,397.62	217,815.12		
Yibin Push Linko Technology Co., Ltd.	Warehouses	6,175,162.94	2,219,398.11			5,541,764.38		307,525.19		7,990,918.52	
Yibin Push Assets Management Co., Ltd.	Warehouses	3,288,644.91	4,128,446.44			2,431,920.00	3,735,473.53	66,040.85	146,943.35		4,718,715.17
Other miscellaneous leases	Warehouses, etc.	10,475,421.86	6,037,485.74	40,906.52		11,134,403.14	14,508,988.36	-205,422.47	734,849.67	1,579,889.04	8,470,998.97

Notes to the leases between the Company and related parties:

Note 1: On 31 December 2020, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into three Land Lease Agreements, according to which

Wuliangye Group leased five plots of lands (Wujiaba Land Parcel, Zongchang Land Parcel, Ziyang Land Parcel I, Fuzao Land Parcel, and Zhuchangqu Land Parcel) with an area of 2,315,349.08 square meters, Guifei Land Parcel, Old Summer Palace Land Parcel I and II, Nanxi Land Parcel I, II, and III, Zhuchangqu Land Parcel with an area of 725,587.75 square meters, and 1,000 mu of land (an area of 666,670.00 square meters) in the north side of Hongba Road owned by it to the Company. The annual rents are RMB185,227,900, RMB5,804,700 and RMB53,333,600, respectively, totaling RMB296,608,500. The lease term is from 1 January 2021 to 31 December 2023.

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, 12 March 2010), which states that "the rent of RMB50 to RMB110 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 RMB80 per square meter per year through mutual agreement.

Note 2: On 31 December 2020, 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 RMB29,255,400. The lease term is from 1 January 2021 to 31 December 2023.

Note 3: On 1 January 2021, 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 RMB7.051 million. The lease term is from 1 January 2021 to 31 December 2023.

**(3) Guarantees between the Company and related parties**

There were no guarantees between the Company and related parties during the Reporting Period.

**(4) Loans between the Company and related parties**

There were no loans between the Company and related parties during the Reporting Period.

**(5) Asset transfers and debt restructuring involving related parties**

There were no asset transfers or debt restructuring involving related parties during the Reporting Period.

**(6) Remuneration of key management**

Unit: RMB'0,000

Item	2023	2022
Remuneration of key management	906.57	1,304.21

**(7) Other related-party transactions**

a) Procurement of equipment, etc.

Unit: RMB

Related party	Content of transaction	2023	2022
Sichuan Yibin Wuliangye Group Co., Ltd.	Trademark and logo royalties (note 1)	966,221,702.16	862,086,498.68
Sichuan Yibin Wuliangye Group Co., Ltd.	Comprehensive service fee (note 2)	85,342,094.79	77,670,062.58
Yibin An Shi Ji Auto Service Co., Ltd.	Procurement of transportation equipment		15,450,000.00
Yibin Jichi Automobile Sales Service Co., Ltd.	Procurement of transportation equipment		11,861,194.56
Push Information & Automation (Chengdu) Co., Ltd.	Procurement of equipment and software systems	2,613,082.31	7,176,823.71
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Procurement of equipment	8,713,995.95	6,570,295.36
Sichuan Yibin Global Environmental Technology Co., Ltd.	Construction in progress	8,350,148.66	
Other miscellaneous purchases of equipment, etc.		11,744,027.48	5,419,526.71

Note 1: On 31 December 2020, 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 one factory emblem, the nonexclusive right of use of seven trademarks, exclusive right of use of 182 trademarks, and unpaid exclusive right of use of eight trademarks. The royalty shall be paid by the following means: a) The royalty of "factory emblem" shall be paid at 1.27% of the annual sales revenue from all liquor products using the factory emblem; b) 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 RMB30,000 per ton and above shall be RMB1,500 per ton; and that of products with selling price at RMB12,000 per ton and above but below RMB30,000 per ton shall be RMB1,400 per ton; that of products with selling price below RMB12,000 shall be RMB1,300 per ton. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 2: On 31 December 2020, 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 1 January 2021 to 31 December 2023.

b) Related-party transactions with Sichuan Yibin Wuliangye Group Finance Co., Ltd.

On 19 April 2023, the Company and Sichuan Yibin Wuliangye Group Finance Co., Ltd. (hereinafter referred to as "Wuliangye Group Finance") entered into a supplementary agreement to the Financial Service Agreement. As such, both parties agreed to continue to implement in 2023 "the Financial Service Agreement signed between the Company and Wuliangye Group Finance on 2 April 2021", i.e. the daily balance of loans and credit lines from Wuliangye Group Finance in 2023 was no more than RMB10 billion.

The total deposits of the Company with Wuliangye Group Finance was RMB40,299,537,492.34 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 Wuliangye Group Finance are safe; the current interest income is RMB969,194,731.11 in total; Wuliangye Group Finance discounted bank acceptance bills of RMB536,140,080.00 for the Company during the current period (undue bank acceptance notes as at 31 December 2023: RMB69,750,000.00); and Wuliangye Group Finance issued bank acceptance bills of RMB637,964,190.74 for the Company during the current period (undue bank acceptance notes as at 31 December 2023: RMB466,501,053.92).

c) Related-party transactions with Yibin City Commercial Bank Co., Ltd.

The total deposits of the Company with Yibin City Commercial Bank Co., Ltd. was RMB11,491,609,251.08 at the end of the period; the current interest income is RMB161,719,529.79 in total; Yibin City Commercial Bank Co., Ltd. issued bank acceptance bills of RMB338,210,000.00 for the Company during the current period (undue bank acceptance bills as at 31 December 2023: RMB138,820,000.00).

## 6. Amounts due from and to related parties

### (1) Amounts due from related parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Gross amount	Allowance for doubtful account	Gross amount	Allowance for doubtful account
Account receivable	Sichuan Putian Packaging Co., Ltd.	11,034,316.71		9,704,093.72	
Account receivable	Chengdu Huayu Glass Manufacturing Co., Ltd.	3,953,526.99		2,274,390.13	
Account receivable	Yibin Grace Fiber Industry Co., Ltd.	2,641,212.86		1,667,887.25	
Account receivable	Other miscellaneous accounts receivable	1,236,709.66		2,100,942.42	
Prepayment	Sacred Mountain White Magnolia Industrial Co., Ltd., Sichuan	3,398,230.09		18,900,000.00	
Prepayment	Wuming Tea Industry Holding Co., Ltd.	6,016,608.60		7,245.00	
Prepayment	Yibin Xinjinxiu Garden Landscaping Co., Ltd.	4,380,147.38			
Prepayment	Other miscellaneous prepayments	821,470.76		1,251,623.86	
Monetary assets	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	606,922,650.12		666,921,754.74	
Monetary assets	Yibin City Commercial Bank Co., Ltd.	118,345,047.42		10,804,085.47	
Other receivables	Other miscellaneous other receivables	1,037,121.60		1,403,354.82	

The amounts related to Sichuan Yibin Wuliangye Group Finance Co., Ltd. and Yibin City Commercial Bank Co., Ltd. in this table represented the interest on time deposits accrued on an accrual basis, and the closing balances were presented in monetary assets.

### (2) Amounts due to related parties

Unit: RMB

Item	Related party	Closing gross amount	Opening gross amount
Account payable	Sichuan Yibin Global Huaxin Commercial Development Co., Ltd.	12,485,412.92	4,376,392.22
Account payable	Sichuan Yibin Push Intelligent Technology Co., Ltd.	3,161.00	1,026,904.56
Account payable	Yibin Push Assets Management Co., Ltd.	3,096,000.00	313,182.65
Account payable	Sichuan Putian Packaging Co., Ltd.	1,350,604.28	37,096.80
Account payable	Anji Logistic Group Co., Ltd. Sichuan	135,225,553.79	
Account payable	Sacred Mountain Molin Group Co., Ltd. Si Chuan	224,885,409.87	
Account payable	Sichuan Yibin Global Environmental Technology Co., Ltd.	3,825,469.04	239,674.59
Account payable	Sichuan Wuliangye Products Co., Ltd.	3,727,072.00	
Account payable	Sichuan Yibin Push International Co., Ltd.	1,433,373.36	
Account payable	Other miscellaneous accounts payable	2,208,577.81	1,698,245.81
Advance from customer	Other miscellaneous advances from customers	17,142.71	17,142.89
Contract liability	Yibin Wuliangye Group I&E Co., Ltd.	199,518,341.92	445,542,725.66
Contract liability	Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	1,732,228.75	1,732,228.75
Contract liability	Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	2,295.87	1,536,665.16
Contract liability	Sacred Mountain Molin Group Co., Ltd. Si Chuan	1,023,041.91	1,020,748.11
Contract liability	Sichuan Nongwu E-commerce Co., Ltd.	1,130,074.52	453,537.40
Contract liability	Sichuan Wuliangye Products Co., Ltd.	35,457,682.68	59,426,283.57
Contract liability	Yibin Airport Aviation Service Co., Ltd.	133,805.31	33,329,766.37
Contract liability	Yibin Shunan Mingkun Supply Chain Service Co., Ltd.	26,548,672.57	
Contract liability	Yibin Construction Investment Group Jinpaiyuan Supply Chain Management Co., Ltd.	44,602,126.69	
Contract liability	Other miscellaneous contract liabilities	5,384,980.44	2,773,772.32
Note payable	Anji Logistic Group Co., Ltd. Sichuan	5,757,438.64	
Note payable	Chengdu Huayu Glass Manufacturing Co., Ltd.	6,300,559.87	
Note payable	Sichuan Yibin Global Huaxin Commercial Development Co., Ltd.	14,607,310.45	
Note payable	Other miscellaneous notes payable	148,734.18	
Other payable	Yibin Chuanhong Tea Group Co., Ltd.	25,842.53	3,206,818.98
Other payable	Sichuan Yibin Push Intelligent Technology Co., Ltd.	2,105,565.41	2,356,447.86



Other payable	Anji Logistic Group Co., Ltd. Sichuan	216,589,647.24	1,615,588.00
Other payable	Wuming Tea Industry Holding Co., Ltd.	57,242,321.41	20,000.00
Other payable	Sacred Mountain Molin Group Co., Ltd. Si Chuan	127,972.50	1,315,988.00
Other payable	Push Information & Automation (Chengdu) Co., Ltd.	1,480,720.39	1,313,400.40
Other payable	Yibin Sanjiang Huiyuanhe Agricultural Investment Development Co., Ltd.	1,883,607.50	
Other payable	Other miscellaneous other payables	5,305,779.21	3,980,824.48

## XIV Undertakings and Contingencies

### 1. Significant undertakings

The Company had no significant undertakings which need to be disclosed during the Reporting Period.

### 2. Contingencies

The Company had no significant contingencies which needed to be disclosed during the Reporting Period.

## XV Post-Balance Sheet Date 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 4th Meeting in 2024 of the 6th Board of Directors of the Company held on 24 April 2024, the final dividend plan for 2023 is: a cash dividend of RMB46.70 (tax inclusive) per 10 shares should be distributed to shareholders, with no bonus issue from capital reserves. This plan shall be subject to the approval of a general meeting of shareholders.

### 3. Note on other post-balance sheet date events

The Company has no other post-balance sheet date events which need to be disclosed.

## XVI Other Significant Matters

### 1. Annuity plan

The Company obtained the reply of the State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City on the Plan of Establishing the Corporate Annuity Plan of the Company (YGZW [2018] No. 221) on 14 September 2018, and had filed with the Department of Human Resources and Social Security of Sichuan Province on 30 October 2018.

Participants of the corporate annuity 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 annuities 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 operating result. 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.



**XVII Notes to Major Line Items in the Financial Statements of the Company as the Parent****1. Other receivables**

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	930,755,375.66	2,126,718,123.00
Other receivables	5,555,194,330.26	6,335,913,181.66
Total	6,485,949,705.92	8,462,631,304.66

**(1) Dividends receivable****1) Classification of dividends receivable**

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Dividends receivable from subsidiaries	930,755,375.66	2,126,718,123.00
Total	930,755,375.66	2,126,718,123.00

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

Unit: RMB

Nature	Closing gross amount	Opening gross amount
Current account	5,553,988,496.97	6,333,318,770.49
Security deposits	199,301.29	5,000,000.00
Cash float	5,000,000.00	101,301.29
Other advance money for others or temporary payment	16,868.17	
Total	5,559,204,666.43	6,338,420,071.78

**2) Other receivables presented by aging**

Unit: RMB

Aging	Closing gross amount	Opening gross amount
Within 1 year (inclusive)	421,132,709.48	4,118,461,478.12
1 to 2 years	2,927,461,223.86	213,939,106.11
2 to 3 years	213,939,106.11	150,484,231.55
More than 3 years	1,996,671,626.98	1,855,535,256.00
3 to 4 years	150,484,231.55	102,537,494.25
4 to 5 years	102,537,494.25	126,271,655.92
More than 5 years	1,743,649,901.18	1,626,726,105.83
Total	5,559,204,666.43	6,338,420,071.78

## 3) Other receivables by method of establishing allowance for doubtful account

 Applicable  Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Gross amount		Allowance for doubtful account		Carrying amount	Gross amount		Allowance for doubtful account		Carrying amount
	Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount		Amount	As % of the total gross amount	Amount	Allowance as % of the gross amount	
Of which:										
Other receivables for which allowances for doubtful accounts are established on a grouping basis	5,559,204,666.43	100.00%	4,010,336.17	0.07%	5,555,194,330.26	6,338,420,071.78	100.00%	2,506,890.12	0.04%	6,335,913,181.66
Of which:										
Of which: External customers	5,219,730.82	0.09%	4,010,336.17	76.83%	1,209,394.65	5,104,862.65	0.08%	2,506,890.12	49.11%	2,597,972.53
Related parties	5,553,984,935.61	99.91%			5,553,984,935.61	6,333,315,209.13	99.92%			6,333,315,209.13
Total	5,559,204,666.43	100.00%	4,010,336.17	0.07%	5,555,194,330.26	6,338,420,071.78	100.00%	2,506,890.12	0.04%	6,335,913,181.66

Other receivables for which allowances for doubtful accounts are established on a grouping basis:

Unit: RMB

Item	Closing balance		
	Gross amount	Allowance for doubtful account	Allowance as % of the gross amount
Other receivables for which allowances for doubtful accounts are established based on the external customer group	5,219,730.82	4,010,336.17	76.83%
Other receivables for which allowances for doubtful accounts are established based on the related party group	5,553,984,935.61		
Total	5,559,204,666.43	4,010,336.17	

Allowances for doubtful accounts established using the general model of expected credit loss:

Unit: RMB

Allowances for doubtful accounts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at 1 January 2023	2,506,890.12			2,506,890.12
Balance as at 1 January 2023 was in the current period				
Established in the current period	1,503,446.05			1,503,446.05
Balance as at 31 December 2023	4,010,336.17			4,010,336.17

Gross amounts with significant changes in loss allowances in the current period:

Applicable  Not applicable

#### 4) Allowances for doubtful accounts established, recovered or reversed in the current period

Allowances for doubtful accounts in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Established	Recovered or reversed	Charged off or written off	Others	
Other receivables for which allowances for doubtful accounts are established based on the credit risk characteristic group	2,506,890.12	1,503,446.05				4,010,336.17
Total	2,506,890.12	1,503,446.05				4,010,336.17

#### 5) Other receivables actually written off in the current period

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

#### 6) Top five entities with respect to other receivables

Unit: RMB

Entity	Nature of account	Closing balance	Aging	As % of the closing balance	Closing balance of allowances
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				of total other receivables	for doubtful accounts
Sichuan Yibin Wuliangye Distillery Co., Ltd.	Current account	3,212,033,693.88	Within 2 years	57.78%	
Yibin Jiangjiu Liquor Co., Ltd.	Current account	2,037,835,760.28	1-5 years; over 5 years	36.66%	
Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd.	Current account	174,909,203.40	Within 3 years; over 5 years	3.15%	
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Current account	129,206,278.05	Over 5 years	2.32%	
Housing and Urban-Rural Development Bureau of Cuiqing District, Yibin City	Security deposit	5,000,000.00	Over 5 years	0.09%	4,000,000.00
<b>Total</b>		<b>5,558,984,935.61</b>		<b>100.00%</b>	<b>4,000,000.00</b>

## 2. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Gross amount	Impairment allowances	Carrying amount	Gross amount	Impairment allowances	Carrying amount
Investments in subsidiaries	11,440,444,117.59		11,440,444,117.59	11,416,902,138.11		11,416,902,138.11
Investments in associates and joint ventures	1,996,294,215.89		1,996,294,215.89	1,966,914,053.94		1,966,914,053.94
<b>Total</b>	<b>13,436,738,333.48</b>		<b>13,436,738,333.48</b>	<b>13,383,816,192.05</b>		<b>13,383,816,192.05</b>

### (1) Investments in subsidiaries

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Increase/decrease in the current period				Closing balance (carrying amount)	Closing balance of impairment allowance
			Increase in investment	Decrease in investment	Impairment allowance	Others		
Sichuan Yibin Wuliangye Distillery Co., Ltd.	5,069,784,707.36						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 Industry Co., Ltd.	18,870,000.00		23,541,979.48				42,411,979.48	
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	
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	
Wuguchun Jiu Ye Co., Henan. China	255,143,449.52								255,143,449.52	
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	
Sichuan Wuliangye NongXiang Baijiu 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	
Total	11,416,902,138.11					23,541,979.48				11,440,444,117.59

**(2) Investment in associates and joint ventures**

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of impairment allowance	Increase/decrease in the current period							Closing balance (carrying amount)	Closing balance of impairment allowance	
			Increase in investment	Decrease in investment	Return on investment recognized using the equity method	Adjustment to other comprehensive income	Other equity changes	Declared cash dividends or profit	Impairment allowance			Others
<b>I Joint ventures</b>												
<b>II Associates</b>												
Oriental Outlook Media Co., Ltd.	26,129,137.92				1,232,799.42						27,361,937.34	
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	1,930,138,327.52				51,680,660.38			23,638,368.00			1,958,180,619.90	

Beijing Zhongjiuhui cui Education and Technology Co., Ltd.	10,646,588.50				105,070.15					10,751,658.65
Sub-total	1,966,914,053.94				53,018,529.95			23,638,368.00		1,996,294,215.89
Total	1,966,914,053.94				53,018,529.95			23,638,368.00		1,996,294,215.89

### 3. Return on investment

Unit: RMB

Item	2023	2022
Return on long-term equity investments measured using the cost method	21,137,079,766.89	18,712,159,587.02
Return on long-term equity investments measured using the equity method	53,018,529.95	87,619,669.47
Total	21,190,098,296.84	18,799,779,256.49

## XVIII Supplementary Information

### 1. Schedule of current exceptional gains and losses

 Applicable  Not applicable

Unit: RMB

Item	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-50,550,226.30	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	236,257,100.25	
Capital occupation charges on non-financial enterprises that are recognized in profit or loss	300,065.66	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	1,388,731.60	
Non-operating income and expense other than the above	-36,541,935.37	
Less: Income tax effects	40,618,434.04	
Non-controlling interests effects (net of tax)	16,118,943.29	
Total	94,116,358.51	--

Particulars about other items that meet the definition of exceptional gain/loss:

 Applicable  Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

 Applicable  Not applicable

### 2. Return on equity (ROE) and earnings per share (EPS)

Profit in the Reporting Period	Weighted average ROE	EPS
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	(%)	Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to the Company's ordinary shareholders	25.06%	7.783	7.783
Net profit attributable to the Company's ordinary shareholders before exceptional gains and losses	24.98%	7.759	7.759

**3. Accounting data differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and foreign accounting standards**

**(1) Net profit and equity under CAS and IFRS**

Applicable  Not applicable

**(2) Net profit and equity under CAS and foreign accounting standards**

Applicable  Not applicable

**(3) Accounting data differences under CAS and IFRS and foreign accounting standards. Where any reconciliation is made to the data audited by an overseas independent auditor, the name of the overseas independent auditor shall be provided.**

None.