

Stock Code: 000568

Stock abbreviation: Luzhou Laojiao

Announcement No. 2021-50

## Luzhou Laojiao Co., Ltd.

### Q3 2021 Report

Luzhou Laojiao Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

#### Important Statements:

1. The Board of Directors, Board of Supervisors, directors, supervisors and senior management guarantee that the information presented in this report is free of any false records, misleading statements or material omissions, and shall individually and together be legally liable for truthfulness, accuracy and completeness of its contents.
2. The responsible person for the Company, the responsible person for accounting work and the responsible person for the Company’s financial affairs (Accounting Supervisor) have warranted that the financial statements in this report are true, accurate and complete.
3. Whether the financial statements of this report have been audited by an auditor  
 Yes  No
4. This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

#### 1. Key financial information

##### 1.1 Key accounting data and financial indicators

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

Yes  No

	Q3 2021	YoY change	Q1-Q3 2021	YoY change
Operating revenues (CNY)	4,792,727,587.31	20.89%	14,109,824,614.36	21.65%
Net profits attributable to shareholders of the Company (CNY)	2,049,184,699.30	28.48%	6,275,501,421.55	30.32%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	2,068,265,688.40	30.83%	6,276,915,821.28	30.37%
Net cash flows from operating activities (CNY)	—	—	3,956,052,904.17	41.42%

Basic earnings per share (CNY/share)	1.40	28.44%	4.28	30.09%
Diluted earnings per share (CNY/share)	1.40	28.44%	4.28	30.09%
Weighted average ROE	8.45%	0.60%	25.22%	2.05%
	30 September 2021	31 December 2020	Change	
Total assets (CNY)	37,363,838,387.94	35,009,203,823.45	6.73%	
Net assets attributable to shareholders of the Company (CNY)	26,349,917,611.28	23,074,858,552.59	14.19%	

## 1.2 Non-recurring gains and losses

Applicable  N/A

Unit: CNY

Item	Q3 2021	Q1-Q3 2021	Note
Gain or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	365,697.35	546,546.66	
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and continually given at a fixed amount or quantity in accordance with the national policies and standards)	17,490,162.36	24,716,983.55	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	423,406.31	423,406.31	
Other non-operating income and expenditure except above-mentioned items	-42,427,599.47	-24,999,703.72	
Less: Corporate income tax	-6,085,264.33	54,043.37	
Minority interests (after tax)	1,017,919.98	2,047,589.16	
Total	-19,080,989.10	-1,414,399.73	--

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

Applicable  N/A

No such cases for the reporting period.

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

Applicable  N/A

No such cases for the reporting period.

## 1.3 Changes in key financial data and indicators and reasons for the changes

Applicable  N/A

- A. The closing balance of prepayment increased by CNY 151,045,934.45 compared to the opening balance at the beginning of the year, indicating an increase of 202.24%. It was mainly due to the increased prepayment to suppliers.
- B. The closing balance of other receivables decreased by CNY 82,227,814.43 compared to the opening balance at the beginning of the year, indicating a decrease of 64.73%. It was mainly due to the amount recovered from the deposit contract disputes in the current period.
- C. The closing balance of inventories increased by CNY 1,912,927,591.86 compared to the opening balance at the beginning of the year, indicating an increase of 40.74%. It was mainly due to the increased production capacity as a result of the technical renovation project of brewing that was put into production in the current period.
- D. The closing balance of other current assets decreased by CNY 87,884,241.58 compared to the opening balance at the beginning of the year, indicating a decrease of 56.13%. It was mainly due to the decreased overpaid taxes in the current period.
- E. The closing balance of construction in progress decreased by CNY 857,871,338.97 compared to the opening balance at the beginning of the year, indicating a decrease of 42.63%. It was mainly due to that construction in progress that met the expected conditions for use was transferred to fixed assets in the current period.
- F. The closing balance of taxes payable decreased by CNY 1,079,423,559.63 compared to the opening balance at the beginning of the year, indicating a decrease of 52.76%. It was mainly due to the payment in the current period of taxes payable as at the end of last year.
- G. The closing balance of non-current liabilities due within one year decreased by CNY 22,107,973.86 compared to the opening balance at the beginning of the year, indicating a decrease of 30.61%. It was mainly due to the payment of bond interest in the current period.
- H. Research and Development expenses in the current Q1-Q3 period increased by CNY 19,867,039.05 compared to the same period of last year, indicating an increase of 40.53%. It was mainly due to the increased research and development investments in the current period.
- I. Financial expenses in the current Q1-Q3 period decreased by CNY 65,861,013.46 compared to the same period of last year, indicating a decrease of 57.65%. It was mainly due to the increased deposit interest income in the current period.
- J. Other income in the current Q1-Q3 period increased by CNY 13,172,454.11 compared to the same period of last year, indicating an increase of 100.35%. It was mainly due to the increased government grants received in the current period.
- K. Non-operating expenses in the current Q1-Q3 period increased by CNY 18,154,760.09 compared to the same period of last year, indicating an increase of 41.24%. It was mainly due to the cash donations to disaster-struck areas in the current period.
- L. Net profit attributable to owners of the parent company in the current Q1-Q3 period increased by CNY 1,460,122,454.99 compared to the same period of last year, indicating an increase of 30.32%. It was mainly due to the increased sales revenue from mid- and high-end baijiu.

M. Net profit attributable to non-controlling interests in the current Q1-Q3 period increased by CNY 39,430,096.59 compared to the same period of last year. It was mainly due to the increased operating profits of non-wholly-owned subsidiaries in the current period.

N. Net cash flows from operating activities in the current Q1-Q3 period increased by CNY 1,158,588,013.37 compared to the same period of last year, indicating an increase of 41.42%. It was mainly due to the increased cash received from sale of goods in the current period.

O. Net cash flows from financing activities in the current Q1-Q3 period decreased by CNY 2,227,028,088.52 compared to the same period of last year, indicating a decrease of 245.66%. It was mainly due to the issuance of corporate bonds in the same period of last year.

## 2. Shareholder information

### 2.1 Total numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top 10 shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period		195,905		Total number of preference shareholders with resumed voting rights at the end of the reporting period (if any)		0	
Shareholdings of the top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Number of holding restricted shares	Pledged, marked or frozen shares		
					Status of shares	Number of shares	
Luzhou Laojiao Group Co., Ltd.	State-owned corporation	26.02%	381,088,389	0			
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.99%	365,971,142	0			
Bank of China Co., Ltd. – Baijiu index securities investment fund by China Merchants Fund	Other	4.23%	61,986,785	0			
China Securities Finance Corporation Limited	Other	2.31%	33,842,059	0			
Hong Kong Securities Clearing Company Limited	Outbound corporation	2.15%	31,426,057	0			
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	Other	2.14%	31,300,000	0			

Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	Other	1.67%	24,400,000	0		
Central Huijin Asset Management Co., Ltd.	State-owned corporation	1.12%	16,450,400	0		
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	Other	0.72%	10,573,293	0		
Bank of China Co., Ltd. – Dingyi hybrid securities investment fund by Invesco Great Wall (LOF)	Other	0.69%	10,100,000	0		
Shareholdings of the top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number			
Luzhou Laojiao Group Co., Ltd.	381,088,389	CNY common shares	381,088,389			
Luzhou XingLu Investment Group Co., Ltd.	365,971,142	CNY common shares	365,971,142			
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	61,986,785	CNY common shares	61,986,785			
China Securities Finance Corporation Limited	33,842,059	CNY common shares	33,842,059			
Hong Kong Securities Clearing Company Limited	31,426,057	CNY common shares	31,426,057			
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	31,300,000	CNY common shares	31,300,000			
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities investment fund by Invesco Great Wall	24,400,000	CNY common shares	24,400,000			
Central Huijin Asset Management Co., Ltd.	16,450,400	CNY common shares	16,450,400			
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	10,573,293	CNY common shares	10,573,293			
Bank of China Co., Ltd. – Dingyi hybrid securities investment fund	10,100,000	CNY common shares	10,100,000			

by Invesco Great Wall (LOF)			
Related parties or acting-in-concert	<p>1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both holding state-owned companies under the jurisdiction of SASAC of Luzhou. The two companies signed the agreement of persons acting in concert on 31 December 2015. For details, please refer to the announcement of the Company on 5 January 2016 - <i>Announcement on the agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2016-1 (<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>). The two companies signed the renewed agreement of persons acting in concert on 27 May 2021. For details, please refer to the announcement of the Company on 27 May 2021 - <i>Announcement on the renewed agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2021-18 (<a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a>).</p> <p>2. In addition, whether there is an association between the remaining shareholders or they belong to persons acting in concert is unknown.</p>		
Top 10 shareholders participating in securities margin trading (if any)	N/A		

## 2.2 Total number of preferred shareholders and shareholdings of the top 10 preferred shareholders

Applicable  N/A

## 3. Other significant events

Applicable  N/A

A. The Company's three savings deposits of CNY 500 million, including ABC Changsha Yingxin Branch and ICBC Nanyang Zhongzhou Branch are involved in contract disputes. Combined with the assets preservation situation of the public security authorities and professional legal advice issued by lawyers, the Company has made a provision of CNY 200 million for bad debts for the deposit of CNY 500 million for contract disputes. In 2020, the Supreme People's Court made a final judgment on the dispute arising out of the deposit contract between the Company and ABC Changsha Yingxin Branch (cancelled during the appeal after the first-instance judgment, with its rights and obligations assumed by ABC Changsha Kaifu Branch). In respect of the losses that couldn't be recovered through criminal procedures, ABC Changsha Kaifu Branch should bear 40% of the compensation liability, ABC Changsha Hongxing Branch 20%, and the remaining losses should be borne by the Company. The Company applied to Hunan Province Higher People's Court for enforcement of the verdict. Hunan Province Higher People's Court ruled that Hunan Changsha Intermediate People's Court should see to the execution of the verdict. Upon the enforcement by Hunan Changsha Intermediate People's Court, ABC Changsha Kaifu Branch and ABC Changsha Hongxing Branch paid part of the respective compensations as required by the civil judgment. The Company received in July 2021 an amount of CNY 52,812,061.75 from Hunan Changsha Intermediate People's Court. Meanwhile, the civil lawsuit of the Company with ICBC Nanyang Zhongzhou Branch over a deposit dispute is still in the second trial. As of the date of this Report, the Company had recovered a total amount of CNY 267,767,200 for the three disputes.

See details in the Company's announcements:

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

B. Pursuant to the Accounting Standard No. 21 for Business Enterprises—Leases issued by the Ministry of Finance, the Company has adopted the said new accounting standard since 1 January 2021. For the affected financial statement line items and amounts, see “4.2 Adjustments to the financial statements”.

C. The Company intended to carry out the 2021 restricted share incentive plan. On 26 September 2021, the *Proposal on the 2021 Restricted Share Incentive Plan (Draft) of Luzhou Laojiao Co., Ltd. and Its Summary*, the *Proposal on the Performance Appraisal Methods for the 2021 Restricted Share Incentive Plan of Luzhou Laojiao Co., Ltd.*, and the *Proposal on the Management Methods for the 2021 Restricted Share Incentive Plan of Luzhou Laojiao Co., Ltd.* were approved by the seventh meeting of the 10th board of directors, which have been disclosed on <http://www.cninfo.com.cn/> dated 27 September 2021.

These proposals in relation to the restricted share incentive plan are subject to final approval by the general meeting.

## 4. Financial statements

### 4.1 Financial statements

#### 4.1.1 Consolidated balance sheet

Prepared by: Luzhou Laojiao Co., Ltd.

Unit: CNY

Item	30 September 2021	31 December 2020
<b>Current assets:</b>		
Cash and cash equivalents	11,313,792,856.94	11,624,870,340.60
Settlement reserves		
Lending funds		
Held-for-trading financial assets	200,423,406.31	
Derivative financial assets		
Notes receivables		
Accounts receivables	2,165,061.12	1,507,852.43
Accounts receivables financing	3,449,989,131.79	3,209,371,766.35
Prepayment	225,731,471.83	74,685,537.38
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	44,805,116.99	127,032,931.42
Including: Interests receivable		
Dividends receivable		1,407,900.00
Buying back the sale of financial assets		
Inventories	6,608,591,023.11	4,695,663,431.25
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	68,681,182.60	156,565,424.18
<b>Total current assets</b>	<b>21,914,179,250.69</b>	<b>19,889,697,283.61</b>
<b>Non-current assets:</b>		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,598,363,101.27	2,477,667,171.27
Investments in other equity instruments	355,107,527.69	347,160,399.42
Other non-current financial assets		

Investment property		
Fixed assets	8,049,181,386.87	6,887,108,174.72
Construction in progress	1,154,258,541.18	2,012,129,880.15
Productive biological assets		
Oil and gas assets		
Use right assets	52,357,450.68	
Intangible assets	2,618,455,158.37	2,657,118,025.37
Development expenses		
Goodwill		
Long-term deferred expenses	1,674,377.46	2,305,902.21
Deferred tax assets	600,932,544.46	725,210,660.84
Other non-current assets	19,329,049.27	10,806,325.86
<b>Total non-current assets</b>	<b>15,449,659,137.25</b>	<b>15,119,506,539.84</b>
<b>Total assets</b>	<b>37,363,838,387.94</b>	<b>35,009,203,823.45</b>
<b>Current liabilities:</b>		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		121,285,117.60
Accounts payable	2,484,324,547.22	2,604,289,199.77
Advance from customer		
Contract liabilities	1,905,334,119.05	1,678,837,166.94
Financial assets sold for repurchase		
Deposits from customers and inter-bank		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	514,991,137.02	505,022,627.19
Taxes payable	966,603,651.50	2,046,027,211.13
Other payable	588,564,974.98	501,623,924.54
Including: Interests payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	50,111,204.22	72,219,178.08
Other current liabilities	247,693,454.43	218,267,353.36
<b>Total current liabilities</b>	<b>6,757,623,088.42</b>	<b>7,747,571,778.61</b>
<b>Non-current liabilities:</b>		
Insurance contract reserves		
Long-term loans		
Bonds payable	3,990,217,430.19	3,987,872,100.02

Including: Preference shares		
Perpetual bonds		
Lease liabilities	41,491,386.90	
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	32,614,585.71	29,739,000.00
Deferred tax liabilities	64,243,704.76	62,151,071.11
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>4,128,567,107.56</b>	<b>4,079,762,171.13</b>
<b>Total liabilities</b>	<b>10,886,190,195.98</b>	<b>11,827,333,949.74</b>
<b>Owners' equity</b>		
Share capital	1,464,752,476.00	1,464,752,476.00
Other equity instruments		
Including: preference shares		
Perpetual bonds		
Capital reserves	3,722,777,063.13	3,722,777,063.13
Less: treasury stock		
Other comprehensive income	189,828,290.44	186,063,325.03
Special reserves		
Surplus reserves	1,464,752,476.00	1,464,752,476.00
General risk reserve		
Undistributed profits	19,507,807,305.71	16,236,513,212.43
Total equity attributable to owners of the parent company	26,349,917,611.28	23,074,858,552.59
Non-controlling interests	127,730,580.68	107,011,321.12
<b>Total owners' equity</b>	<b>26,477,648,191.96</b>	<b>23,181,869,873.71</b>
<b>Total liabilities and owners' equity</b>	<b>37,363,838,387.94</b>	<b>35,009,203,823.45</b>

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

#### 4.1.2 Consolidated income statement for Q1~Q3

Unit: CNY

Item	Q1~Q3 2021	Q1~Q3 2020
<b>1. Total operating revenue</b>	<b>14,109,824,614.36</b>	<b>11,598,978,279.02</b>
Including: Operating revenue	14,109,824,614.36	11,598,978,279.02
Interest income		
Earned premium		
Fee and commission income		
<b>2. Total operating costs</b>	<b>5,985,994,328.76</b>	<b>5,421,758,365.10</b>
Including: Cost of sales	1,933,662,885.73	1,905,872,063.12
Interest expense		
Handling charges and commission expenses		

Refunded premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Bond insurance expense		
Reinsurance Expenses		
Taxes and surcharges	1,536,386,462.93	1,235,462,243.19
Selling and distribution expenses	1,936,521,124.25	1,786,292,226.39
General and administrative expenses	690,636,840.57	559,350,842.71
Research and Development expenses	68,884,404.41	49,017,365.36
Financial expenses	-180,097,389.13	-114,236,375.67
Including: Interest expenses	127,324,223.38	134,641,907.41
Interest income	311,337,172.08	252,631,979.03
Plus: Other income	26,298,415.72	13,125,961.61
Investment income ("-" for losses)	177,205,844.66	166,073,785.31
Including: income from investment in associates and joint ventures	170,543,184.14	156,693,960.95
Income from the derecognition of financial assets measured at amortized cost		
Foreign exchange gains ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values ("-" for losses)	423,406.31	
Credit impairment losses ("-" for losses)	290,207.95	14,881.14
Impairment losses ("-" for losses)		
Gains from disposal of assets ("-" for losses)	546,546.66	-597,765.00
<b>3. Operating profits ("-" for losses)</b>	<b>8,328,594,706.90</b>	<b>6,355,836,776.98</b>
Plus: non-operating income	37,176,240.33	31,909,798.66
Less: non-operating expenses	62,175,944.05	44,021,183.96
<b>4. Total profits before tax ("-" for total losses)</b>	<b>8,303,595,003.18</b>	<b>6,343,725,391.68</b>
Less: income tax expenses	2,014,298,012.43	1,553,980,952.51
<b>5. Net profit ("-" for net loss)</b>	<b>6,289,296,990.75</b>	<b>4,789,744,439.17</b>
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for losses)	6,289,296,990.75	4,789,744,439.17
5.1.2 Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		

1) Attributable to owners of the parent company	6,275,501,421.55	4,815,378,966.56
2) Attributable to non-controlling interests	13,795,569.20	-25,634,527.39
<b>6. Net of tax from other comprehensive income</b>	2,382,860.93	-7,604,719.19
Net of tax from other comprehensive income to the owner of the parent company	3,764,965.41	-1,790,327.28
6.1 Other comprehensive income cannot reclassified into the profit and loss:	5,960,346.20	-2,589,695.23
1) Remeasure the variation of net indebtedness or net asset of defined benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	5,960,346.20	-2,589,695.23
4) Changes in fair value of the company's credit risks		
5) Other		
6.2 Other comprehensive income that will be reclassified into the profit and loss	-2,195,380.79	799,367.95
1) Share in other comprehensive income that will be classified into profit and loss under equity method	-505,262.02	7,904,971.75
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements	-1,690,118.77	-7,105,603.80
7) Others		
Net of tax from other comprehensive income to non-controlling interests	-1,382,104.48	-5,814,391.91
<b>7. Total comprehensive income</b>	6,291,679,851.68	4,782,139,719.98
Total comprehensive income attributable to owners of the parent company	6,279,266,386.96	4,813,588,639.28
Total comprehensive income attributable to non-controlling interests	12,413,464.72	-31,448,919.30
<b>8. Earnings per share</b>		
(1) Basic earnings per share	4.28	3.29
(2) Diluted earnings per share	4.28	3.29

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

#### 4.1.3 Consolidated statement of cash flows for Q1~Q3

Unit: CNY

Item	Q1~Q3 2021	Q1~Q3 2020
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services	15,250,962,923.41	11,444,778,961.62
Net increase in customer bank deposits and placement from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commissions		
Net increase in placements from other financial institutions		
Net capital increase in repurchase business		
Net cash received from customer brokerage deposits		
Refunds of taxes and surcharges	27,632,356.79	4,282,301.19
Cash received from other operating activities	532,118,779.80	343,830,118.82
<b>Subtotal of cash inflows from operating activities</b>	<b>15,810,714,060.00</b>	<b>11,792,891,381.63</b>
Cash paid for goods purchased and services received	3,321,392,121.89	2,695,233,461.36
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in lending funds		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	783,309,706.40	590,627,848.79
Cash paid for taxes and surcharges	5,858,390,145.04	4,305,861,309.71

Cash paid for other operating activities	1,891,569,182.50	1,403,703,870.97
<b>Subtotal of cash outflows from operating activities</b>	<b>11,854,661,155.83</b>	<b>8,995,426,490.83</b>
<b>Net cash flows from operating activities</b>	<b>3,956,052,904.17</b>	<b>2,797,464,890.80</b>
<b>2. Cash flows from investing activities</b>		
Cash received from disposal of investments		
Cash received from returns on investments	38,354,824.22	4,786,894.23
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	275,836.47	913,030.83
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
<b>Subtotal of cash inflows from investing activities</b>	<b>38,630,660.69</b>	<b>5,699,925.06</b>
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	998,358,951.38	1,509,459,951.58
Cash paid for investments	200,542,370.00	80,000,000.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
<b>Subtotal of cash outflows from investing activities</b>	<b>1,198,901,321.38</b>	<b>1,589,459,951.58</b>
<b>Net cash flows from investing activities</b>	<b>-1,160,270,660.69</b>	<b>-1,583,760,026.52</b>
<b>3. Cash flows from financing activities</b>		
Cash received from investors	8,305,794.84	10,322,014.67
Including: cash received by subsidiaries from investments by minority shareholders	8,305,794.84	10,322,014.67
Cash received from borrowings		1,494,000,000.00
Cash received from other financing activities		
<b>Subtotal of cash inflows from financing activities</b>	<b>8,305,794.84</b>	<b>1,504,322,014.67</b>
Cash paid for debt repayments		
Cash paid for distribution of dividends and profits or payment of interest	3,138,129,017.73	2,410,673,696.08
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing	3,736,547.04	180,000.00

activities		
<b>Subtotal of cash outflows from financing activities</b>	3,141,865,564.77	2,410,853,696.08
<b>Net cash flows from financing activities</b>	-3,133,559,769.93	-906,531,681.41
<b>4. Effect of fluctuation in exchange rate on cash and cash equivalents</b>	-666,150.38	-1,959,916.40
<b>5. Net increase in cash and cash equivalents</b>	-338,443,676.83	305,213,266.47
Plus: balance of cash and cash equivalents at the beginning of the period	11,568,195,062.81	9,752,266,526.78
<b>6. Balance of cash and cash equivalents at the end of the period</b>	11,229,751,385.98	10,057,479,793.25

## 4.2 Adjustments to the financial statements

### 4.2.1 Adjustments to the financial statements at the beginning of the execution year of any new standard governing leases from 2021

Applicable  N/A

Whether items of the balance sheet at the beginning of the year need to be adjusted

Yes  No

### Consolidated balance sheet

Unit: CNY

Item	31 December 2020	1 January 2021	Adjustment
<b>Current assets:</b>			
Cash and cash equivalents	11,624,870,340.60	11,624,870,340.60	
Settlement reserves			
Lending funds			
Trading financial assets			
Derivative financial assets			
Notes receivables			
Accounts receivables	1,507,852.43	1,507,852.43	
Accounts receivables financing	3,209,371,766.35	3,209,371,766.35	
Prepayment	74,685,537.38	74,685,537.38	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserve			
Other receivables	127,032,931.42	127,032,931.42	
Including: Interests receivable			
Dividends	1,407,900.00	1,407,900.00	

receivable			
Buying back the sale of financial assets			
Inventories	4,695,663,431.25	4,695,663,431.25	
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	156,565,424.18	156,565,424.18	
<b>Total current assets</b>	<b>19,889,697,283.61</b>	<b>19,889,697,283.61</b>	
<b>Non-current assets:</b>			
Disbursement of loans and advances			
Investment in debt obligations			
Investment in other debt obligations			
Long-term receivables			
Long-term equity investments	2,477,667,171.27	2,477,667,171.27	
Other equity instrument investment	347,160,399.42	347,160,399.42	
Other non-current financial assets			
Investment property			
Fixed assets	6,887,108,174.72	6,887,108,174.72	
Construction in progress	2,012,129,880.15	2,012,129,880.15	
Productive biological assets			
Oil and gas assets			
Right-to-use assets		50,201,409.36	50,201,409.36
Intangible assets	2,657,118,025.37	2,657,118,025.37	
Development expenses			
Goodwill			
Long-term deferred expenses	2,305,902.21	2,305,902.21	
Deferred tax assets	725,210,660.84	725,210,660.84	
Other non-current assets	10,806,325.86	10,806,325.86	
<b>Total non-current assets</b>	<b>15,119,506,539.84</b>	<b>15,169,707,949.20</b>	<b>50,201,409.36</b>
<b>Total assets</b>	<b>35,009,203,823.45</b>	<b>35,059,405,232.81</b>	<b>50,201,409.36</b>
<b>Current liabilities:</b>			
Short-term loans			
Borrowings from the central bank			

Loans from other banks			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	121,285,117.60	121,285,117.60	
Accounts payable	2,604,289,199.77	2,604,289,199.77	
Advance from customer			
Contract liabilities	1,678,837,166.94	1,678,837,166.94	
Financial assets sold for repurchase			
Customers deposits and deposits from banks and other financial institutions			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	505,022,627.19	505,022,627.19	
Taxes payable	2,046,027,211.13	2,046,027,211.13	
Other payable	501,623,924.54	501,623,924.54	
Including: Interests payable			
Dividends payable			
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	72,219,178.08	82,207,133.16	9,987,955.08
Other current liabilities	218,267,353.36	218,267,353.36	
<b>Total current liabilities</b>	<b>7,747,571,778.61</b>	<b>7,757,559,733.69</b>	<b>9,987,955.08</b>
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term loans			
Bonds payable	3,987,872,100.02	3,987,872,100.02	
Including: Preference shares			
Perpetual bonds			
Lease liabilities		40,213,454.28	40,213,454.28
Long-term payables			
Long-term payroll payables			
Accrued liabilities			
Deferred income	29,739,000.00	29,739,000.00	
Deferred tax liabilities	62,151,071.11	62,151,071.11	
Other non-current liabilities			
<b>Total non-current liabilities</b>	<b>4,079,762,171.13</b>	<b>4,119,975,625.41</b>	<b>40,213,454.28</b>

<b>Total liabilities</b>	11,827,333,949.74	11,877,535,359.10	50,201,409.36
<b>Owners' equity:</b>			
Share capital	1,464,752,476.00	1,464,752,476.00	
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves	3,722,777,063.13	3,722,777,063.13	
Less: Treasury stock			
Other comprehensive income	186,063,325.03	186,063,325.03	
Special reserves			
Surplus reserves	1,464,752,476.00	1,464,752,476.00	
General risk reserve			
Undistributed profits	16,236,513,212.43	16,236,513,212.43	
Total equity attributable to owners of the parent company	23,074,858,552.59	23,074,858,552.59	
Non-controlling interests	107,011,321.12	107,011,321.12	
<b>Total owners' equity</b>	<b>23,181,869,873.71</b>	<b>23,181,869,873.71</b>	
<b>Total liabilities and owners' equity</b>	<b>35,009,203,823.45</b>	<b>35,059,405,232.81</b>	<b>50,201,409.36</b>

Note to the adjustments:

As required by the Accounting Standard No. 21 for Business Enterprises-Leases issued by the Ministry of Finance, the Company starts to implement the said standards since 1 January 2021. For the influence on specific items and amount thereof, please see above adjustment statement.

#### 4.2.2 Retrospective restatement of previous comparative data due to the execution of any new standard governing lease from 2021

Applicable  N/A

#### 4.3 Auditor's report

Whether the financial statements of this report have been audited by an auditor

Yes  No

The said financial statements are unaudited by an auditor.

The Board of Directors of Luzhou Laojiao Co., Ltd.  
29 October 2021