



Wuliangye Yibin Co., Ltd.

Annual Report 2021

Chairman of the Board: Zeng Congqin

29 April 2022

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Part I Important Notes 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, Luo Wei, 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. Eight directors were supposed to attend the board meeting for the review of this Report. Seven of them were present at the meeting in person while Independent Director Xie Zhihua voted by way of telecommunication for he was not able to be present due to travel restrictions caused by the COVID-19 pandemic.

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 RMB30.23 (tax inclusive) per 10 shares to shareholders based on the total 3,881,608,005 shares held by them, with the total amount to be distributed reaching RMB11.734 billion.

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.

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, Wuliangye Group	refers to	Sichuan Yibin Wuliangye Group 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.
Wuliangye Group I&E	refers to	Yibin Wuliangye Group I&E Co., Ltd.
Creart	refers to	Yibin Wuliangye Creart Co., Ltd.
Wuliangye New Retail	refers to	Sichuan Wuliangye New Retail Management 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	http://www.wuliangye.com.cn		
Email address	000858-wly@sohu.com		

II Contact Information

	Board Secretary	Securities Representative
Name	Jiang Lin	Xiao Xiangfa, and Li Xinyi
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, 3566938, 3567988	(0831) 3567000, 3566938, 3567988
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 (www.szse.cn)
Media and website where this Report is disclosed	China Securities Journal, Shanghai Securities News, Securities Times, and http://www.cninfo.com.cn
Place where this Report is lodged	The Company's Board Office

IV Change to Company Registered Information

Organization 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)
Office address	28/F, South Jinmaolidu, 18 Ximianqiao Street, Chengdu City, Sichuan Province, China
Accountants writing signatures	Li Wulin, Luo Guiqiu, and Ye Juan

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

Applicable Not applicable

Name of sponsor	Office address	Representative	Supervision period
Guotai Junan Securities Co., Ltd.	618 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone	Cai Hu, and Kang Xin	1 January 2021-31 December 2021

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

	2021	2020	2021-over-2020 change (%)	2019
Operating revenue (RMB)	66,209,053,612.11	57,321,059,453.15	15.51%	50,118,105,877.14
Net profit attributable to the listed company's shareholders (RMB)	23,377,074,353.40	19,954,809,594.52	17.15%	17,402,164,190.16
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	23,327,729,257.82	19,994,943,929.15	16.67%	17,405,930,787.45
Net cash generated from/used in operating activities (RMB)	26,774,941,873.05	14,698,327,593.21	82.16% (note)	23,112,072,040.66
Basic earnings per share (RMB/share)	6.023	5.141	17.16%	4.483
Diluted earnings per share (RMB/share)	6.023	5.141	17.16%	4.483
Weighted average return on equity (%)	25.30%	24.94%	Up by 0.36 percentage point	25.26%

	31 December 2021	31 December 2020	Change of 31 December 2021 over 31 December 2020 (%)	31 December 2019
Total assets (RMB)	135,620,812,221.13	113,893,139,013.72	19.08%	106,396,972,333.66
Equity attributable to the listed company's shareholders (RMB)	99,068,498,346.24	85,705,972,645.74	15.59%	74,290,700,662.22

Note: The increased cash generated from operating activities was primarily driven by the low base of proceeds from sale of goods and rendering of services last year due to the COVID-19 pandemic, as well as the increased operating revenue, cash inflows from due bank acceptance notes, etc. in the current year.

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, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

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	24,324,839,644.81	12,426,708,181.89	12,969,249,482.03	16,488,256,303.38
Net profit attributable to the listed company's shareholders	9,323,613,990.16	3,876,757,756.57	4,127,069,251.93	6,049,633,354.74
Net profit attributable to the listed company's shareholders before exceptional gains and losses	9,318,357,623.15	3,815,315,666.22	4,151,926,942.25	6,042,129,026.20
Net cash generated from/used in operating activities	5,505,475,102.10	3,202,012,880.71	6,690,405,836.65	11,377,048,053.59

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	2021	2020	2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-23,622,995.51	-5,064,647.92	-1,571,612.06	
Government grants through profit or loss (exclusive of government grants consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	184,126,377.62	100,407,690.85	129,760,347.41	
Capital occupation charges on non-financial enterprises that are recognized in profit or loss	2,144,596.61	2,602,571.31	15,503,633.45	
Non-operating income and expense other than the above	-80,306,712.64	-141,782,777.02	-135,436,782.11	
Less: Income tax effects	21,010,672.65	-15,373,976.81	-4,831,273.10	
Non-controlling interests effects (net of tax)	11,985,497.85	11,671,148.66	16,853,457.08	
Total	49,345,095.58	-40,134,334.63	-3,766,597.29	--

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

In 2021, the downward pressure mounted on economies at home and abroad. The Baijiu industry saw a year-on-year decline in output but a steady growth in revenue. According to data from the National Bureau of Statistics, the output of Baijiu stood at 7.1563 million kiloliters during 2021, down 0.59% year on year, while the revenue amounted to RMB603.3 billion, up 18.6% year on year. The industry has become more concentrated towards top producers, strong brands and major producing areas. Therefore, competitive edges of top Baijiu producers have been further strengthened.

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, other Baijiu series such as Wuliang Chun (Spring), Wuliang Chun (Rich Flavor), Wuliang Tequ, and Jianzhuang with complete categories and unique tastes to meet the diverse needs of different consumers.

(II) Brand Operation

1. Wuliangye-branded Baijiu Products

In 2021, the Company adhered to the principle of "focusing on high-quality market share growth", encouraged bold exploration and innovation, drove steady progress on key work and continuously consolidated the market foundations. Firstly, brand stories continued to be enriched and the brand value was constantly highlighted. Through all-round and three-dimensional brand culture communication, the brand value saw noticeable increases in rankings in several authoritative lists. Secondly, the product strategy was continuously strengthened and the competitive status continued to be raised. Classic Wuliangye had completed the supplier selection and preliminary trial sales in highland markets and key markets and entered the stage of comprehensive market arrangement and formal sales, further improving Wuliangye's brand value and competitive status in the industry. Thirdly, channel operations were continuously transformed and the sales quality continued to be improved. After completing the retail infrastructure construction, the Company began to hand over the retail work to merchants in all aspects and entered the stage of refined terminal operation management with the merchants as the main body and the manufactures the cooperators. Fourthly, the cultivation of consumption continued to be advanced and the group purchase system was continuously improved. The Company continuously improved the form and content of tasting sessions, continued to strengthen the group cultivation of opinion leaders and worked hard to build "group purchase" into a benchmark of marketing in the industry.

2. Other Baijiu Series

In 2021, other Baijiu series adhered to the strategies of "three characteristics and one recognition", "three focuses" and "building four national brands" and broke new ground in various tasks. Firstly, the quality of operation continued to be improved and the sales revenue achieved stable growth. Secondly, the rejuvenation of

brand value was accelerated. The brand structure was significantly optimized, the brand matrix was continuously improved and the brand image was greatly enhanced. Thirdly, the market foundations were continuously consolidated. The structure of merchants was continuously optimized. The community of gains of manufacturers was established effectively. The core terminal building achieved noticeable achievements. Teams exclusive to distributors were continuously expanded. The support for channels was further strengthened. Fourthly, market-driven sell-through growth was more sustainable. Digital marketing based on "one code per bottle" achieved new breakthroughs. The volume of code scanning for opening bottles continued to grow and the market share rose steadily.

(III) Major Sales Models of the Company

Distributor model: This includes the traditional channel operator model, exclusive store model, KA marketplace, etc., mainly sold offline.

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

(IV) Distributor 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	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
Of which:						
Distributor model	50,136,705,774.85	10,432,852,899.80	79.19%	10.48%	12.68%	-0.41%
Direct-to-consumer model	11,595,134,218.11	1,732,938,004.19	85.05%	64.37% (Note 1)	59.95% (Note 1)	0.41%
By product category						
Liquor products	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
Of which:						
Wuliangye-branded Baijiu products	49,112,013,173.38	7,076,007,335.05	85.59%	11.46%	6.70%	0.64%
Other Baijiu series	12,619,826,819.58	5,089,783,568.94	59.67%	50.71% (Note 2)	37.16% (Note 3)	3.99%

Note 1: This was mainly due to the fact that in the Reporting Period, the Company strengthened the group cultivation of consumer opinion leaders and online direct sales, leading to a surge in the sales revenue of the direct-to-consumer model and a corresponding leap in cost of sales.

Note 2: This was mainly due to the fact that the Company adhered to the "three characteristics and one recognition" for other Baijiu series, focused on building Wuliang Chun (Spring), Wuliang Chun (Rich Flavor), Wuliang Tequ and Jianzhuang into the four national strategic brands, coordinated growing brands and total distribution brands as a strategic synergy, and continuously optimize the brand structure. Both the volume and the

price of other Baijiu series increased in the Reporting Period.

Note 3: This was mainly due to the year-on-year increase in the sales revenue of other Baijiu series in the Reporting Period, leading to the corresponding growth in cost of sales.

2. Number of Distributors

Region	Number of distributors of Wuliangye-branded Baijiu products	YoY change (number)	Reason for change (more than 30%)
East China	562	36	N/A
South China	411	11	
West China	392	12	
North China	276	14	
Central China	413	20	
Subtotal	2,054	93	
Region	Number of distributors of other Baijiu series	YoY change (number)	
China	602	87	
Total	2,656	180	

Note: There is overlap between distributors of Wuliangye-branded Baijiu products and other Baijiu series.

3. Main Settlement Methods and Distribution 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 RMB6,058 million, accounting for 9.15% of the total sales revenue; and at the end of the period, there were no accounts receivable from the top five distributor customers.

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	408	411	N/A
South China	268	273	
West China	287	291	
North China	214	217	
Central China	350	353	
Total	1,527	1,545	

5. Online Direct-to-consumer Sales

Applicable Not applicable

Product category	Platform
Wuliangye-branded Baijiu products:	
The 8th-generation Wuliangye	Tmall, JD, and WeChat

Other Baijiu series:	
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.	7,056,914,674.20
Market-based purchase	Packaging materials	2,240,046,213.03
Market-based purchase	Energy	540,742,407.32

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) Output and Inventory

1. Output, Sales Volume and Inventory of Major Products

Product	Output (ton)		Sales volume (ton)		Inventory (ton)	
	2021	YoY change	2021	YoY change	2021	YoY change
Wuliangye-branded Baijiu products	28,408	9.46%	29,203	3.78%	1,938	-29.09%
Other Baijiu series	160,309	20.64%	152,572	15.32%	19,223	67.36% (Note 2)
Total	188,717	18.82%	181,775	13.30%	21,161	48.82% (Note 2)

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

2. Due to a considerable growth in sales revenue of other Baijiu series during the Reporting Period, the Company increased the inventory to meet market demand.

2. Finished Baijiu and Semi-finished Baijiu (Including Base Baijiu)

Category	Inventory (ton)
Finished Baijiu	21,161

Semi-finished Baijiu (including pottery jar base Baijiu)	179,396
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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	14.16	10.60	1.999

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

III Core Competitiveness Analysis

The Company has five unique competitive edges, which constitute the traditional core competitiveness of Wuliangye. Firstly, the unique natural environment makes Wuliangye unique. Secondly, the microbiota of its unique ancient fermentation pits have been growing continuously since early Ming Dynasty with more than 600 years of history. Thirdly, the high-quality, world-famous Wuliangye is produced with unique five-grain formulas. Fourthly, it uses unique fermentation and production techniques to create a unique microbial zone within the Wuliangye Distillery. And finally, the unique harmonious culture of Wuliangye makes it a symbol of Chinese culture.

In 2021, the Company persisted in improving quality and performance and empowerment focusing on market needs. Quality support, technological innovation, cultural construction, business ecosystem and team building were significantly strengthened and market support was improved. Moreover, the Company caught up with the trend of consumption upgrading, took up-to-date approaches to marketing innovation, and achieved new breakthroughs in product structure, branding, channel construction, consumption cultivation, digital transformation, and relationships between distilleries. The Company's market potential was unleashed and its core competitiveness was continuously enhanced. Moreover, the foundation for the high-quality development of the Company was further consolidated.

IV Analysis of Principal Operations

1. Overview

2021 marked the opening year of China's 14th Five-Year Plan for Economic and Social Development and a key year for the Company's innovation, transformation and leapfrog development. In face of the complex and challenging macro-environment, under the strong leadership of the provincial and municipal party committees and governments, the Company based itself in a new stage of development, implemented the new development philosophy and integrated itself into the new development landscape. It attached more importance to and strengthened the principal operations, continuously shored up weak spots, developed strengths, and created new growth drivers. Upholding the principle of "focusing on high-quality market share growth", the Company seized opportunities arising from the structured growth in the industry, achieved progress while ensuring stability, and got off to a good start in the 14th Five-Year Plan period. In 2021, the Company achieved operating revenue of RMB66.209 billion, up 15.51% year on year, and a net profit attributable to its shareholders of RMB23.377 billion, up 17.15% year on year.

(I) Product structure was optimized and product value was improved steadily

Firstly, the Wuliangye-branded product portfolio was continuously improved. The 8th-generation Wuliangye, a core product, achieved "growth in sales volume with stable selling prices", with a new high recorded in retail sales and a better balance of sales volume and selling prices. In terms of the vintage Baijiu series, Classic Wuliangye was launched to the market successfully. Many stylish products such as Wuliangye Year of the Ox

Commemorative Baijiu, Bu Bu Gao Sheng, and Bo'ao Commemorative Baijiu were also launched. Aged Baijiu collection and exchanges increased day by day. The quality and charm of aged Baijiu was recognized continuously and the time value of Aged Wuliangye Baijiu was further demonstrated.

Secondly, the portfolio of other Baijiu series was more concentrated. The optimization and upgrade of the four national strategic brands, regional key brands, and some of the total distribution brands were completed and products such as the new product Wuliang Chun (Spring), Jianzhuang 1911, and Year of the Tiger Zodiac Baijiu were successfully launched. In addition to that, seven brands and 509 products mainly run by distributors were eliminated and the implementation of the "three focuses", including self-operation brands, medium- and high-end brands, and superior brands was more noticeable.

In the Reporting Period, on the lists of "Global 500" released by Brand Finance and "China's 500 Most Valuable Brands" released by World Brand Lab, the Company's brand value and ranking increases ranked first in the industry.

(II) New horizons on quality engineering were broadened and quality support was enhanced steadily

Firstly, quality management achieved a higher level. The Company's special grain base of one million mu for distilling was continuously optimized. The operation of the environmental protection and safety management system was continuous and effective. The "from seed to liquor" whole-process quality control achieved remarkable results. After winning the "Tianfu Quality Award" and "ARE-QE Award", the Company won the "National Quality Award" again, becoming the only liquor enterprise in the industry that had won the highest award in the field of national quality management for four consecutive years in 1990, 2003, 2011 and 2021. Its status as a quality benchmark in the industry was further consolidated.

Secondly, new achievements were made in major projects. The Company completed the major task of the demolition of areas in front of the plant, established four renovation projects of industrial parks, and completed the main engineering tasks of four continued construction projects, including the capacity expansion project for storing blended liquor, the finished liquor package and integrated smart storage project, the Hongba New Park supporting facility construction project, and the brewing special grain process bin & milling automation renovation project. The capacity expansion project was conducted smoothly.

(III) The channel construction achieved new optimization and the marketing performance was improved steadily

Firstly, traditional terminal channels were further optimized. By focusing on "highland markets" and "core ports", Wuliangye Exclusive Stores started to establish cultural experience halls with "an integration of products and sales" and further improved market arrangements. The Company continuously optimized terminals, steadily promoted the integration of KA channel supply chains of Wuliangye and series liquors, and strengthened the refined services of national supermarkets, regional supermarkets and exclusive channels.

Secondly, emerging channels were further expanded. Wuliangye New Retail continuously exerted the function of product image and value display window. Official self-operation flagship stores were operated steadily. Strategic cooperation with mainstream e-commerce platforms across the country was continuously strengthened. New sales growth was achieved.

Thirdly, the group purchase network was further improved. Strategic cooperation was reached with the Huawei Group, the Geely Group, and Shenzhen Harmony Club to establish the group purchase network that was led by leading enterprises and served tens of thousands of enterprises across the country.

Fourthly, the highland markets and the key markets were further expanded. Targeted expansion was facilitated in eight highland markets in Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Hangzhou, Nanjing, and Zhengzhou and 14 provincial capital-level key markets.

(IV) Brand promotion achieved new breakthroughs and corporate image was improved steadily

Firstly, the brand reputation in the domestic market continued to be advanced. Relying on the Company's core value and profound cultural heritage and its advantages in raw grain, fermentation pit, brewing, quality and brand, a number of brilliant cultural IPs such as the *Forbidden City*, China West Lake Love Wuliangye Rose Wedding Ceremony, and *See You*, Wuliangye's exclusive titled entrepreneur follow-up dialogue program, were created to promote Wuliangye culture. The brand image was displayed in national key airports, core business circles in key cities, and transportation hubs in an all-round manner so that the atmosphere in high-end consumption places across the country could be enhanced to gain exposure for Wuliangye, extend the coverage of Wuliangye, enable customers to create a memory of Wuliangye, and improve the reputation of Wuliangye.

Secondly, the brand's influence on the international market continued to grow. Wuliangye integrated itself into the national strategy of Belt and Road, participated in international events such as Dubai World Expo and *Fortune* Global 500 Summit, endowed scene culture expression with new connotations and new forms, and displayed the national corporate image and the charm of domestic brands. The brand's global influence was enhanced.

(V) New growth drivers were created for consumer cultivation and cultural construction was advanced steadily

Wuliangye products being carriers, the Company launched the corporate group purchase system for corporate group purchase customers; conducted exclusive in-app purchase events for employees of group purchase companies; combined with different consumer needs such as personalized customized products for aged liquor collection to launch more thoughtful service to further boost the consumption potential. "Classic Wuliangye" tasting sessions and tasting sessions exclusive to VIP customers were held in tier-one cities and provincial capitals. The number of consumer opinion leaders and brand enthusiasts was continuously increased. Wuliangye's reputation and engagement in high-end consumption circles were enhanced steadily.

(VI) New progress were made in digital transformation and scientific and technological innovation was enhanced steadily

Firstly, digital transformation was implemented to build corporate advantages. The establishment of a digital marketing management and service system was completed. The operation of pilot smart specialty shops noted initial progress. Marketing processes such as traditional business and innovative business were incorporated into the online digital system to push forward the improvement of omni-channel digital management.

Secondly, Wulianye's capacity for scientific and technological innovation maintained a leadership position in the industry. The new world-class International Joint Lab on Wuliangye Flavor was established based on the efficient operation of the existing national and provincial scientific research platforms. Wuliangye, as the first author, wrote a world authoritative book on the research of the flavor of distilled liquors, which was published worldwide. The Company's "Wuliangye Baobaoqu Quality Improvement Technology Research and Application" project won the first prize of the 2021 China National Food Industry Association Science and Technology Award. Furthermore, the Company won the title of Advanced Group of the 13th Five-Year Plan of Light Industry Technology Innovation, China National Light Industry Council, and the "Outstanding Contribution Award for China's Wine Industry Science and Technology" by China Alcoholic Drinks Association, becoming the first enterprise in the industry to be selected into the third batch of industrial products green design demonstration enterprises by the Ministry of Industry and Information Technology.

2. Revenue and Cost Analysis**(1) Breakdown of Operating Revenue**

Unit: RMB

	2021		2020		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	66,209,053,612.11	100.00%	57,321,059,453.15	100.00%	15.51%
By operating division					
Manufacturing	66,209,053,612.11	100.00%	57,321,059,453.15	100.00%	15.51%
By product category					
Liquor	61,731,839,992.96	93.24%	52,434,071,866.48	91.47%	17.73%
Of which: Wuliangye-branded Baijiu products	49,112,013,173.38	74.18%	44,060,628,351.09	76.87%	11.46%
Other Baijiu series	12,619,826,819.58	19.06%	8,373,443,515.39	14.61%	50.71%
Plastic products	2,509,011,509.24	3.79%	2,585,059,494.52	4.51%	-2.94%
Printing	138,217,423.29	0.21%	136,405,558.64	0.24%	1.33%
Glass bottles	135,971,277.27	0.21%	176,439,052.84	0.31%	-22.94%
Other	1,694,013,409.35	2.56%	1,989,083,480.67	3.47%	-14.83%
By operating segment					
Liquor products	61,731,839,992.96	93.24%	52,434,071,866.48	91.47%	17.73%
Of which: East China	18,782,177,440.32	28.37%	14,186,030,946.71	24.75%	32.40%
South China	7,430,135,341.39	11.22%	5,623,782,156.78	9.81%	32.12%
West China	16,979,243,862.88	25.64%	18,493,709,772.58	32.26%	-8.19%
North China	7,535,414,625.22	11.38%	5,787,446,943.40	10.10%	30.20%
Central China	11,004,868,723.15	16.62%	8,343,102,047.01	14.56%	31.90%
Non-liquor products	4,477,213,619.15	6.76%	4,886,987,586.67	8.53%	-8.39%
By sales model					
Liquor products	61,731,839,992.96	93.24%	52,434,071,866.48	91.47%	17.73%
Distributor model	50,136,705,774.85	75.72%	45,379,752,892.82	79.17%	10.48%
Direct-to-consumer model	11,595,134,218.11	17.51%	7,054,318,973.66	12.31%	64.37%
Non-liquor products	4,477,213,619.15	6.76%	4,886,987,586.67	8.53%	-8.39%

Notes: 1. The Company does not export liquor products directly. Instead, it sells them to Wuliangye Group I&E for export.

2. The sales regions are divided based on the places of registration of customers.

(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)	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
By product category						
Liquor	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
Of which:						
Wuliangye-branded Baijiu products	49,112,013,173.38	7,076,007,335.05	85.59%	11.46%	6.70%	0.64%
Other Baijiu series	12,619,826,819.58	5,089,783,568.94	59.67%	50.71% (Note 1)	37.16% (Note 2)	3.99%
By operating segment						
Liquor	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
Of which: East China	18,782,177,440.32	3,412,179,998.04	81.83%	32.40% (Note 3)	27.39%	0.71%
South China	7,430,135,341.39	1,174,384,448.56	84.19%	32.12% (Note 4)	15.19%	2.32%
West China	16,979,243,862.88	4,079,790,164.23	75.97%	-8.19%	2.69%	-2.55%
North China	7,535,414,625.22	1,246,334,864.18	83.46%	30.20% (Note 4)	13.34%	2.46%
Central China	11,004,868,723.15	2,253,101,428.98	79.53%	31.90% (Note 4)	43.33% (Note 4)	-1.63%
By sales model						
Liquor	61,731,839,992.96	12,165,790,903.99	80.29%	17.73%	17.63%	0.01%
Of which: Distributor model	50,136,705,774.85	10,432,852,899.80	79.19%	10.48%	12.68%	-0.41%
Direct-to-consumer model	11,595,134,218.11	1,732,938,004.19	85.05%	64.37% (Note 5)	59.95% (Note 5)	0.41%

Data of principal operations restated according to the changed methods of measurement that occurred in the Reporting Period:

Applicable Not applicable

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

Applicable Not applicable

Note 1: This was mainly due to the fact that the Company adhered to the "three characteristics and one recognition" for other Baijiu series, focused on building Wuliang Chun (Spring), Wuliang Chun (Rich Flavor), Wuliang Tequ and Jianzhuang into the four national strategic brands, coordinated growing brands and total distribution brands as a strategic synergy, and continuously optimized the brand structure. Both the sales volume and the price of other Baijiu series grew during the Reporting Period.

Note 2: This was mainly due to the year-on-year increase in the sales revenue of other Baijiu series in the Reporting Period, leading to the corresponding growth in cost of sales.

Note 3: This was mainly due to the steady growth in the sales revenues in the eastern region of the Company's core sales area and of Wuliangye-branded Baijiu products and other Baijiu series in the Reporting Period.

Note 4: This was mainly due to the fact that compared with the same period of last year, the markets in the southern, northern and central regions were greatly affected by the pandemic, and the operating revenue base was relatively low. In the Reporting Period, the sales of products in the southern, northern and central regions was improved, the operating revenue increased and the cost of sales grew accordingly as well. The inconsistency in the increase in revenue and cost was mainly caused by the product sales structure.

Note 5: This was mainly due to the fact that in the Reporting Period, the Company strengthened the group cultivation of consumer opinion leaders and online direct-to-consumer sales, leading to a surge in the sales revenue of the direct-to-consumer sales model and a corresponding increase in cost of sales.

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

Yes No

Operating division	Item	Unit	2021	2020	Change (%)
Liquor	Sales volume	Metric ton	181,775	160,443	13.30%
	Output	Metric ton	188,717	158,831	18.82%
	Inventory	Metric ton	21,161	14,219	48.82% (Note)

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

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

Applicable Not applicable

Note: Due to a considerable growth in sales revenue of other Baijiu series during the Reporting Period, the Company increased the inventory to meet market demand.

(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	2021		2020		Change in percentage
		Cost of sales	As % of total cost of sales (%)	Cost of sales	As % of total cost of sales (%)	
Manufacturing	Raw materials	8,695,241,991.41	53.28%	8,280,192,175.78	55.90%	-2.62%
	Labor cost	5,141,719,582.95	31.51%	4,328,398,411.77	29.22%	2.29%
	Energy	947,639,638.53	5.81%	796,325,741.28	5.38%	0.43%
	Production cost	1,534,177,375.93	9.40%	1,407,045,149.82	9.50%	-0.10%

(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 has strengthened the disposal of less competitive business entities that are not part of its principal operations. On 19 November 2021, three wholly-owned subsidiaries of the Company, namely Yibin Cuipingshan Liquor Co., Ltd., Yibin Century Liquor Co., Ltd. and Yibin Zhenwushan Liquor Co., Ltd., were de-registered and have been excluded from the Company's consolidated financial statements since that day.

(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)	6,057,814,328.10
Total sales to top five customers as % of total sales in the Reporting Period (%)	9.15%
Total sales to related parties among top five customers as % of total sales in the Reporting Period (%)	0.00%

Top five customers:

No.	Customer	Sales to the customer (RMB)	As % of total sales in the Reporting Period (%)
1	Customer A	1,537,411,241.70	2.32%
2	Customer B	1,280,114,201.77	1.93%
3	Customer C	1,228,957,956.73	1.86%
4	Customer D	1,039,219,625.21	1.57%
5	Customer E	972,111,302.69	1.47%
Total	--	6,057,814,328.10	9.15%

Other information about major customers:

Applicable Not applicable

Major suppliers:

Total purchases from top five suppliers (RMB)	3,080,986,307.31
Total purchases from top five suppliers as % of total purchases in the Reporting Period (%)	29.18%
Total purchases from related parties among top five suppliers as % of total purchases in the Reporting Period (%)	11.61%

Top five suppliers:

No.	Supplier	Purchases (RMB)	As % of total purchases in the Reporting Period (%)
1	Supplier A	731,440,676.51	6.93%
2	Supplier B	691,658,046.61	6.55%
3	Supplier C	579,931,127.88	5.49%
4	Supplier D	543,645,525.58	5.15%
5	Supplier E	534,310,930.73	5.06%
Total	--	3,080,986,307.31	29.18%

Other information about major suppliers:

Applicable Not applicable

3. Expenses

Unit: RMB

Item	2021	2020	Change (%)	Main reason for any significant change
Selling expense	6,503,506,131.90	5,578,918,523.98	16.57%	
Administrative expense	2,899,968,867.37	2,609,529,686.09	11.13%	
Finance costs	-1,731,702,085.22	-1,485,519,200.21	N/A	
R&D expense	177,411,727.65	131,315,225.33	35.10%	Greater investments in R&D projects such as production techniques

(1) Breakdown of Selling Expense

Unit: RMB

Item	2021		2020		Change (%)	Reason for change
	Amount	As % of selling expense	Amount	As % of selling expense		
Image promotion expense	1,218,266,158.62	18.73%	1,148,203,672.92	20.58%	6.10%	
Sales promotion expense	3,786,854,045.27	58.23%	3,302,764,255.56	59.20%	14.66%	
Warehousing and logistics expense	411,654,403.24	6.33%	260,214,712.62	4.66%	58.20%	Note
Labor cost	611,192,688.42	9.40%	470,739,623.11	8.44%	29.84%	
Other expenses	475,538,836.35	7.31%	396,996,259.77	7.12%	19.78%	
Total	6,503,506,131.90		5,578,918,523.98		16.57%	

Note: Firstly, stronger sales of liquor products resulted in an increase in warehousing and logistics expense; secondly, the increase in warehousing expense was also a result of the Company's efforts to improve distribution efficiency.

(2) Advertising Expense

During 2021, the Company's primary advertising means included TV, broadcasting, Internet, outdoor ads and exhibitions. The expenses on online, offline and TV ads were RMB161 million, RMB552 million and RMB505 million, respectively.

4. R&D Investments

Applicable Not applicable

Main R&D project	Purpose	Progress	Specific objectives	Expected impact on the Company
Development of Wuliangye intelligent brewing production line and research on supporting	In the key brewing process, the traditional manual operation is replaced by the smart production line to reduce labor	(1) The key equipment of a smart production line was successfully developed and a pilot demonstration line was established; (2) 50 patents were applied for; (3) the production and application demonstration of the designed smart brewing production	Conduct a large-scale production and application demonstration in Wuliangye	If the project achievements can be popularized and put into application, then the revolution in Wuliangye's production methods can be promoted, so as to realize the transformation from traditional manual brewing to modern smart

production technique	intensity, improve the labor environment and reduce the quality fluctuation in the operation process, and to conduct demonstration verification and data collection for the promotion of the smart brewing production line in traditional liquor production workshop	line scheme was planned to be carried out in the first phase of the Wuliangye high-quality multiplication project	liquor production workshop	brewing. The gradual transformation from an experience and skill-oriented production process to a knowledge and technology-oriented one is conducive to the stability and improvement of product quality
Wuliangye Baobaoqu enzymatic fingerprint analysis and enzyme-producing microbial community analysis	Explore the contribution of Baobaoqu enzymes and microbes to the unique flavor of Wuliangye and display the special functions and roles of Baobaoqu originally created by Wuliangye in Wuliangye brewing	(1) Completed the analysis of the structure of Baobaoqu enzymes and systematically studied the enzymatic properties of the main enzymes; (2) clarified the composition and abundance of microbial flora in Baobaoqu using genomics technology; (3) published a paper in SCI and applied for one invention patent	Establish the enzymatic fingerprints and relevant microbial metabolic networks of different types of Baobaoqu	Scientifically demonstrate the unique biological enzymes and microbial flora in Baobaoqu, establish an evaluation mechanism for the application performance of core enzymes based on the control of production technique conditions, develop key technologies for improving Baobaoqu's quality and performance, and provide theoretical and technological support for stabilizing and improving Wuliangye's famous wine rate
Analysis of the mechanism and characteristics of Wuliangye multi-grain brewing system	Systematically analyze the scientific mechanism of the core brewing technologies of Wuliangye and explore the characteristics and mechanism of the impact exerted by the five grain formulas on the brewing microbial system	(1) Used the high-throughput sequencing technology combined with the culturomics technology to clarify the type and proportion of the main caproic acid bacteria in the Wuliangye brewing system, systematically analyzed its metabolism and the characteristics and molecular mechanisms of the flavor produced, and accurately identified the complex microbial species in the five-grain brewing system; (2) discovered and confirmed a new species of the main caproic	Reveal the mechanism of the mutual influence of each kind of grain in the five kinds of grain on the fermentation microbial flora	Lay a solid technical foundation and provide theoretical support for scientifically and accurately analyzing the mystery of five-grain brewing, developing the key technology for improving the quality rate of Wuliangye with functional microbial flora metabolism in pit mud, and continuously improving Wuliangye's famous wine rate, and play the role of Wuliangye for scientifically and fully reveal the mystery of the complexity of our

		acid bacteria of NongXiang Series Baijiu in the pit mud, which was recognized globally, and formally established the taxonomic status of the new species of caproic acid bacteria; (3) published two authoritative papers in SCI and screened a strain of the new species of caproic acid bacteria		country's strong flavor Baijiu brewing system
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Particulars about R&D personnel:

	2021	2020	Change (%)
Number of R&D personnel	2,571	2,719	-5.44%
R&D personnel as % of total employees	9.96%	10.32%	Down by 0.36 percentage point
Educational background of R&D personnel	—	—	—
Junior college and below	1,495	1,649	-9.34%
Bachelor's degree	899	899	0.00%
Master's degree	168	163	3.07%
Doctoral degree	13	8	62.50%
Age structure of R&D personnel	—	—	—
Below 30	857	906	-5.41%
30~40	988	1,044	-5.36%
Over 40	726	769	-5.59%

Particulars about R&D investments:

	2021	2020	Change (%)
R&D investments (RMB)	177,411,727.65	131,315,225.33	35.10%
R&D investments as % of operating revenue	0.27%	0.23%	Up by 0.04 percentage point
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%

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	2021	2020	Change (%)
Subtotal of cash generated from operating activities	83,023,369,160.65	64,967,961,994.18	27.79%
Subtotal of cash used in operating activities	56,248,427,287.60	50,269,634,400.97	11.89%
Net cash generated from/used in operating activities	26,774,941,873.05	14,698,327,593.21	82.16% (Note 1)
Subtotal of cash generated from investing activities	47,904,368.82	6,438,616.16	644.02% (Note 2)
Subtotal of cash used in investing activities	1,544,754,180.86	1,728,453,964.74	-10.63%
Net cash generated from/used in investing activities	-1,496,849,812.04	-1,722,015,348.58	-13.08%
Subtotal of cash generated from financing activities		15,000,000.00	N/A
Subtotal of cash used in financing activities	11,269,456,954.06	9,228,223,328.76	22.12%
Net cash generated from/used in financing activities	-11,269,456,954.06	-9,213,223,328.76	22.32%
Net increase in cash and cash equivalents	14,008,165,578.27	3,762,958,476.66	272.26% (Note 3)

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

Applicable Not applicable

Note 1: The increased cash generated from operating activities was primarily driven by the low base of proceeds from sale of goods and rendering of services last year due to the COVID-19 pandemic, as well as the increased operating revenue, cash inflows from due bank acceptance notes, etc. in the current year.

Note 2: A dividend amount of RMB42 million was received from associate Wuliangye Group Finance in the current year.

Note 3: Net cash generated from operating activities increased in the current year.

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 2021		1 January 2021		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	82,335,955,927.74	60.71%	68,209,577,022.61	59.81%	0.90%	
Accounts receivable	64,193,116.22	0.05%	41,496,170.35	0.04%	0.01%	
Inventories	14,015,067,118.25	10.33%	13,228,273,631.45	11.60%	-1.27%	
Long-term equity investments	1,911,228,653.63	1.41%	1,849,977,103.30	1.62%	-0.21%	
Fixed assets	5,610,147,000.37	4.14%	5,866,880,860.03	5.14%	-1.00%	
Construction in progress	2,646,087,846.01	1.95%	1,482,098,184.64	1.30%	0.65%	
Right-of-use assets	697,805,952.69	0.51%	146,707,923.47	0.13%	0.38%	
Contract liabilities	13,058,652,246.11	9.63%	8,618,543,467.25	7.56%	2.07%	
Lease liabilities	355,338,950.93	0.26%	73,960,277.66	0.06%	0.20%	

Indicate whether overseas assets account for a larger 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	Purchased 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	2,024,442,016.72						-382,932,428.03	1,641,509,588.69
Subtotal of financial assets	2,025,642,016.72						-382,932,428.03	1,642,709,588.69
Investment property								
Productive living assets								
Other								
Total of the above	2,025,642,016.72						-382,932,428.03	1,642,709,588.69
Financial liabilities								

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	307,498,340.40	The balance of RMB3,211.55 in the securities trading account with the Yibin Business Department of Essence Securities, security deposits of RMB307,240,205.65 for bank acceptance notes, and other security deposits of RMB254,923.20
Receivables financing	118,374,800.00	In pledge for bank acceptance notes
Total	425,873,140.40	

VII Investment Analysis

1. Total Investment Amount

Applicable Not applicable

Total investment amount in the Reporting Period (RMB)	Total investment amount in last year (RMB)	Change (%)
5,625,000.00	734,693,877.55	-99.23% (Note)

Note: The change was primarily driven by a capital increase to associate Wuliangye Group Finance last year.

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

(1) General Information about the Use of Raised Funds

Applicable Not applicable

Unit: RMB'0,000

Year of raising	Way of raising	Total amount raised	Used in the current period	Cumulatively used	Re-purposed amount in the Reporting Period	Cumulative re-purposed amount	Cumulative re-purposed amount as % of total amount raised	Unused amount	Purpose and whereabouts of the unused amount	Amount being idle for more than two years
2018	Private placement of shares	185,327.74	95,922.11	148,140.12	0	169,405.51	91.41%	37,187.62	The unused amount is all deposited in the special account for raised funds for future use in the raised funds investment projects. Meanwhile, in view of the progress of the raised funds investment projects, the unused amount is rationally allocated as current deposits, call deposits, term deposits, etc.	
Total	--	185,327.74	95,922.11	148,140.12	0	169,405.51	91.41%	37,187.62	--	
More information										
During the Reporting Period, RMB537.0565 million was paid for the finished liquor packaging and intelligent warehousing and distribution integration project, and RMB422.1646 million was paid for the liquor storage cellar renovation project.										

(2) Promised Use of Raised Funds

√ Applicable □ Not applicable

Unit: RMB'0,000

Promised raised funds investment project and investments with over-raised funds	Re-purposed or partially re-purposed or not	Total promised investment amount with raised funds	Adjusted total investment amount (1)	Used in the Reporting Period	Cumulative used as of the period-end (2)	Investment progress as of the period-end (3) = (2)/(1)	Time when the project is ready for its intended use	Returns derived in the Reporting Period	Meeting the expected returns or not	Significant change to project feasibility or not
Promised projects										
Information technology-based transformation	Yes	71,530	5,644.64	0	5,644.64	100.00%	N/A	N/A	N/A	No
Construction of a marketing center	Yes	50,793	3,944.06	0	3,944.06	100.00%	N/A	N/A	N/A	No
Service-oriented e-commerce platform	Yes	63,074	8,434.04	0	8,434.04	100.00%	N/A	N/A	N/A	No
Finished liquor packaging and intelligent warehousing and distribution integration	No	0	94,422.74	53,705.65	69,336.68	73.43%	Expectedly December 2023	N/A	N/A	No
Liquor storage cellar renovation	No	0	74,982.77	42,216.46	60,780.7	81.06%	Expectedly December 2022	N/A	N/A	No
Subtotal of promised projects	--	185,397	187,428.25	95,922.11	148,140.12	--	--	--	--	--
Investments with over-raised funds										
Repaying bank loans (if any)	--						--	--	--	--
Supplementing working capital (if any)	--						--	--	--	--
Subtotal of investments with over-raised funds	--					--	--		--	--
Total	--	185,397	187,428.25	95,922.11	148,140.12	--	--		--	--
Reasons for not reaching the scheduled	N/A									

progress or expected returns (project by project)	
Particulars about significant change to project feasibility	N/A
Amount, purpose and use progress of over-raised funds	N/A
Change of implementation location of raised funds investment projects	N/A
Adjustments to the way of implementation of raised funds investment projects	N/A
Advance investments in promised projects funded with raised funds and subsequent swaps	N/A
Use of idle raised funds for temporarily supplementing the working capital	N/A
Surplus amount of raised funds upon project implementation and the reasons	N/A
Purpose and whereabouts of unused raised funds	The unused amount is all deposited in the special account for raised funds for future use in the raised funds investment projects. Meanwhile, in view of the progress of the raised funds investment projects, the unused amount is rationally allocated as current deposits, call deposits, term deposits, etc.
Problems or other issues arising in the use and disclosure of raised funds	N/A

(3) Re-purposed Raised Funds

√ Applicable □ Not applicable

Unit: RMB'0,000

New project	Former project	Total raised funds to be	Used in the Reporting	Cumulatively used as of	Investment progress	Time when the project is	Returns derived in	Meeting the expected	Significant change to the
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		invested in the new project (1)	Period	the period-end (2)	as of the period-end (3)= (2)/(1)	ready for its intended use	the Reporting Period	returns or not	feasibility of the new project or not
Finished Liquor packaging and intelligent warehousing and distribution integration	Information technology-based transformation, construction of a marketing center, and	94,422.74	53,705.65	69,336.68	73.43%	Expectedly December 2023	N/A	N/A	No
Liquor storage cellar renovation	service-oriented e-commerce platform	74,982.77	42,216.46	60,780.70	81.06%	Expectedly December 2022	N/A	N/A	No
Total	--	169,405.51	95,922.11	130,117.38	--	--	--	--	--
Reasons for the changes, decision-making procedure executed and relevant disclosed information (project by project)	The Proposal on Changes to the Purpose and User of Funds Raised in a Private Placement was approved at the 73 rd Meeting of the Fifth Board of Directors on 24 April 2020 and then at the 2019 Annual General Meeting of Shareholders on 29 May 2020. As such, it was agreed to change the purpose of the raised funds, and change the user from Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd. to Sichuan Yibin Wuliangye Distillery Co., Ltd. For further information, see the Announcement on Resolutions of the 73rd Meeting of the Fifth Board of Directors, the Announcement on Resolutions of the 2019 Annual General Meeting of Shareholders, and the Announcement on Signing a Four-party Supervision Agreement for the Special Account for Raised Funds for a Private Placement.								
Reasons for not reaching the scheduled progress or expected returns (project by project)	N/A								
Particulars about significant change to the feasibility of the new projects	N/A								

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	Net assets
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Sale of liquor, liquor import & export and agency service of liquor import & export	200,000,000.00	50,052,122,188.83	25,814,632,948.26

Name	Relationship with the Company	Principal activities	Operating revenue	Operating profit	Net profit
Yibin Wuliangye Liquor Sales Co., Ltd.	Subsidiary	Sale of liquor, liquor import & export and agency service of liquor import & export	58,718,765,149.19	22,559,094,728.31	16,925,376,124.29

Subsidiaries acquired or disposed of in the Reporting Period:

√ Applicable □ Not applicable

Name of company	Way of acquisition or disposal	Impact on the Company
Yibin Cuipingshan Liquor Co., Ltd., Yibin Shiji Liquor Co., Ltd., and Yibin Zhenwushan Liquor Co., Ltd.	De-registered	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. Three wholly-owned subsidiaries of the Company were de-registered, which had no impact on the Company's ordinary course of business.

X Structured Entities Controlled by the Company

□ Applicable √ Not applicable

XI Prospects

(I) Industry Landscape and Trends

From a macroeconomic perspective, although the development of domestic economy faces the triple pressures of demand contraction, supply shocks and weakening expectations, and there are still many unstable and uncertain factors, favorable conditions remain prominent. The fundamentals of Chinese economy - its vitality, strong resilience and long-term sustainability - remain unchanged. The consumption base and capacity remain prudent.

From the perspective of industry development, structural growth has become the focus of the development of the Baijiu industry. Superior brands, superior enterprises and superior producing areas will continue to be benefited and industry concentration will be gradually increased. In particular, the growth of high-quality production capacity supply is far from keeping up with the growth of high-end consumer demand. The liquor industry has entered an era of quality competition in which "there is no shortage of liquor for a long time, but there is a long-term shortage of quality liquors".

From the perspective of corporate status, the directional and patterned development momentum in the market, channels, brands, and products continues to rise. Enterprises have entered a new stage of high-quality

development in an all-round manner.

(II) Development Strategies of the Company

Strategic vision of the Company: In pursuit of long-lasting business, Wuliangye is committed to developing into a world-leading Baijiu producer with superior products, strong brands, advanced innovation and modern governance that keeps growing in a sustainable, steady and high-quality way.

(III) Completion of the Business Plan for 2021

1. Planning at the beginning of the year: Double-digit growth in the total revenues in 2021.
2. Realities: In 2021, the Company's operating revenue reached RMB66.209 billion, up 15.51% year on year.

(IV) Development Goals for 2022

The Company's operation goal for 2022: A continued double-digit growth in total revenues.

In 2022, the Company will act on the general principle of seeking progress while maintaining stability, meet the fundamental goal of satisfying the new demands of consumption upgrades, pursue high-quality development as the general aim, take structural reform on the supply side as the main task, harness reform and innovation as the key source of momentum, seize new development opportunities, and make every effort to build a sustained, steady and high-quality Wuliangye with the five-in-one of "ecology, quality, culture, digitalization and sunshine".

(V) Potential Risks

Firstly, macroeconomic uncertainties; secondly, further intensification of industry competition, especially the competition among famous liquor enterprises; thirdly, the risk of intellectual property protection for well-known brands.

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
15 January 2021	Yibin	One-on-one meeting	Institution	ABC-CA Fund Management, China Merchants Fund, Penghua Fund	The Company's development strategies, production and operation status, etc.	http://www.cninfo.com.cn
8 March 2021	Yibin	By phone	Institution	China Universal Asset Management, Shenwan Hongyuan Securities		
9 March 2021	Yibin	By phone	Institution	Ninetyone Fund		
10 March 2021	Shanghai	Securities firm's investment strategy conference	Institution	Penghua Fund, Bosera Funds, Changjiang Pension, Foresight Fund, Chang Xin Asset Management, etc.		
10 March 2021	Yibin	By phone	Institution	Fullgoal Fund		
11 March 2021	Hangzhou	Securities firm's investment strategy conference	Institution	Great Wall Fund, Panjing Invest, Fullgoal Fund, China Everwin Asset Management, etc.		
16-17 March 2021	Wuhan	Securities firm's	Institution	China Fund, CICC Fund, Bosera		

		investment strategy conference		Funds, Guangdong Development Asset Management, etc.		
17-18 March 2021	Yibin	By phone	Institution	China Fund, BOCOM Schroders, Penghua Fund		
18 March 2021	Hangzhou	Securities firm's investment strategy conference	Institution	Orient Securities Asset Management, Zhong Ou Asset Management, Qian Hai Life Insurance, Huatai-Pinebridge Fund Management, Southern Asset Management, etc.		
25 March 2021	Yibin	One-on-one meeting	Institution	Guotai Junan Securities, Sinolink Securities, Huaxi Securities, etc.		
10 May 2021	Yibin	By phone	Institution	HSBC Qianhai, Balckrock, Egerton, etc.		
12 May 2021	Chengdu and Shanghai	Securities firm's investment strategy conference	Institution	China Capital Management, CITIC Asset Management, Bank of China Investment Management, ICBC Wealth Management, etc.		
13 May 2021	Yibin and Chengdu	One-on-one meeting	Institution	CICC, Southern Asset Management, Credit Suisse Founder Securities, etc.		
17 May 2021	Yibin	By phone	Institution	Tongben Invest, Bosera Funds, Fullgoal Fund, etc.		
25 May 2021	Yibin	One-on-one meeting	Institution	Shenzhen Kaifeng Investment Management		
03-04 June 2021	Chengdu, Nanjing and Shanghai	Securities firm's investment strategy conference	Institution	Fullgoal Fund, E Fund, Yinhua Fund, Brilliance Capital, etc.		
18 June 2021	Yibin	General meeting of shareholders	Institution and individual	E Fund, China Universal Asset Management, Southern Asset Management, individual shareholders, etc.		
9 July 2021	Wuxi and Shanghai	Securities firm's investment strategy conference	Institution	Fullgoal Fund, HuaAn Funds, Sealand Securities, etc.		
21-23 July 2021	Shanghai and Guiyang	Securities firm's investment strategy conference	Institution	HuaAn Funds, Bosera Funds, New China Fund, ICBC Credit Suisse, E Fund, GUOTAI AMC, Orient Fund, etc.		
06-10 September	Yibin	By phone	Institution	Southern Asset Management,		

2021				Penghua Fund, China Universal Asset Management, Greenwoods Asset Management, Taikang Asset Management, etc.		
14 September 2021	Yibin	By phone	Institution	Cinda Securities, Tianhong Asset Management		
09 and 11 November 2021	Yibin	By phone	Institution	CICC, Ninetyone Fund, E Fund, Yinhua Fund, etc.		
16 and 18 November 2021	Yibin	By phone	Institution	HSBC Qianhai, Baoying Fund, Bosera Funds, etc.		
2 December 2021	Yibin	By phone	Institution	Mondrian, China Fund, E Fund, etc.		
22 December 2021	Yibin	By phone	Institution	China Universal Asset Management, E Fund, ChinaAMC, BOCOM Schrodgers, etc.		
27 December 2021	Yibin	One-on-one meeting	Institution	Shenwan Hongyuan Securities, etc.		
28 December 2021	Yibin	By phone	Institution	Southern Asset Management, Bosera Funds, Penghua Fund, Yinhua Fund, etc.		

Part IV Corporate Governance

I Corporate Governance Overview

The Company is dedicated to establishing and improving its governance structure. In strict compliance with the applicable laws and regulations such as the Company Law, the Securities Law, and the Code of Governance for Listed Companies, the Company has established the relevant rules, methods and mechanisms and keeps revising and improving them. Among them, the rules for general meetings of shareholders, the Board of Directors, and the Supervisory Committee ensure their respective power of final approval, decision-making and supervision. Five special committees have been put in place under the Board of Directors, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee, and the Comprehensive Budget Management Committee, which has promoted compliance in the operation of the Board of Directors in an effective manner.

During the Reporting Period, the Company has further improved its management rules and methods by revising rules and methods such as the Articles of Association.

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
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The 2020 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	71.85%	18 June 2021	19 June 2021	See the Announcement on Resolutions of the 2020 Annual General Meeting of Shareholders (2021/No. 018)
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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	Office title	Status	Gender	Age	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	Secretary of the CPC Committee	Incumbent	Male	53	28 January 2022	Currently ongoing						
	Chairman of the Board				27 September 2019							
Jiang Wenge	Deputy Secretary of the CPC Committee	Incumbent	Male	55	28 January 2022	Currently ongoing						
	Vice Chairman of the Board and General Manager				18 February 2022							
Xu Bo	Director	Incumbent	Female	54	18 June 2021	Currently ongoing						
Zhang Yu	Member of the CPC Committee	Incumbent	Male	47	30 December 2020	Currently ongoing						
	Director and Vice Chairman of the Board-to-be	To-be			27 December 2021							
Xiao Hao	Deputy Secretary of the CPC Committee	Incumbent	Male	45	15 December 2021	Currently ongoing						
	Director-to-	To-b			3 March 2022							

	Member of the CPC Committee	Incu mbe nt	Fem ale	42	22 February 2022	Currently ongoing							
Jiang Lin	Director				18 June 2021								
	Deputy General Manager and Board Secretary				3 March 2022								
Zhou Yousu	Independent Director	Incu mbe nt	Mal e	69	22 June 2016	Currently ongoing							
Gan Shengdao	Independent Director	Incu mbe nt	Mal e	55	18 November 2016	Currently ongoing							
Xie Zhihua	Independent Director	Incu mbe nt	Mal e	62	18 June 2021	Currently ongoing							
Wu Yue	Independent Director	Incu mbe nt	Mal e	55	18 June 2021	Currently ongoing							
	Member of the CPC Committee	Incu mbe nt			22 February 2022	Currently ongoing							
Liu Ming	Supervisor and Chairman of the Supervisory Committee-to-be	To-b e	Mal e	51	4 March 2022	Currently ongoing							
Liu Feng	Supervisor	Incu mbe nt	Fem ale	52	29 May 2020	Currently ongoing							
Zhang Xin	Supervisor-to-be	To-b e	Mal e	52	27 December 2021	Currently ongoing							
Wu Guoping	Employee Supervisor	Incu mbe nt	Mal e	52	9 June 2015	Currently ongoing	0					17,594	Grante d under emplo yee stock own ership plan
Cao Hongying	Employee Supervisor	Incu mbe nt	Fem ale	55	5 June 2020	Currently ongoing	3,100					10,320	
	Member of the CPC Committee	Incu mbe nt	Mal e	57	21 February 2014	Currently ongoing							
Luo Wei	Deputy General Manager				18 July 2014								

	and CFO												
Zhao Dong	Member of the CPC Committee	Incumbent	Male	57	12 July 2017	Currently ongoing							
	Chief Engineer				3 March 2022								
Jiang Jia	Member of the CPC Committee	Incumbent	Male	47	22 February 2022	Currently ongoing							
	Chief Economist				3 March 2022								
Yue Song	Deputy General Manager	Incumbent	Male	49	3 March 2022	Currently ongoing							
Liu Yang	Deputy General Manager	Incumbent	Male	43	27 December 2021	Currently ongoing							
Li Jian	Deputy General Manager	Incumbent	Male	47	27 December 2021	Currently ongoing							
Li Shuguang	Secretary of the CPC Committee and Director	Former	Male	59	21 April 2017	18 February 2022							
Zou Tao	Member of the CPC Committee, Vice Chairman of the Board and General Manager	Former	Male	43	21 July 2018	18 February 2022							
Tang Shengyun	Member of the CPC Committee and Deputy General Manager	Former	Male	59	18 July 2014	21 July 2021	9,100					9,100	
Jiang Wenchun	Chairman of the Supervisory Committee	Former	Male	51	18 June 2021	27 December 2021							
Yang Ling	Supervisor	Former	Female	35	29 May 2020	27 December 2021							
Fu Nanping	Independent Director	Former	Male	60	18 July 2014	18 June 2021							
Zhu Zhongyu	Member of the CPC Committee and Deputy General Manager	Former	Male	58	18 July 2014	21 July 2021	11,501					11,501	

Tang Bochao	Member of the CPC Committee and Deputy General Manager	Former	Male	57	18 July 2014	14 September 2021	20,000				20,500	Shareholding increase on the secondary market
Lang Dingchang	Independent Director	Former	Male	56	18 June 2021	12 October 2021						
Total							43,701				69,015	

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
Xu Bo	Director	Incumbent	18 June 2021	Elected at a general meeting of shareholders
Jiang Lin	Director	Incumbent	18 June 2021	Elected at a general meeting of shareholders
	Deputy General Manager and Board Secretary	Incumbent	3 March 2022	Appointed by the Board of Directors
Xie Zihua	Independent Director	Incumbent	18 June 2021	Elected at a general meeting of shareholders
Wu Yue	Independent Director	Incumbent	18 June 2021	Elected at a general meeting of shareholders
Fu Nanping	Independent Director	Former	18 June 2021	Elected at a general meeting of shareholders
Jiang Wenchun	Supervisor and Chairman of the Supervisory Committee	Appointed	18 June 2021	Elected at a general meeting of shareholders
		Former	27 December 2021	Resigned for a job change
Zou Tao	Vice Chairman of the Board and General Manager	Appointed	21 July 2021	Elected and appointed by the Board of Directors
	Director, Vice Chairman of the Board and General Manager	Former	18 February 2022	Resigned for a job change
Liu Ming	Chief Engineer	Appointed	21 July 2021	Appointed by the Board of Directors
	Supervisor and Chairman of the Supervisory Committee-to-be	To-be	4 March 2022	As nominated by the higher organization, he ceased to be the Chief Engineer and became Supervisor and Chairman of the Supervisory Committee-to-be, which is to be finalized at a general meeting of shareholders.
Tang Shengyun	Deputy General Manager	Former	21 July 2021	According to the administration methods for leadership teams of state-owned enterprises, he ceased to be Deputy General Manager for the

				reason of his age as decided by the Board of Directors.
Zhu Zhongyu	Deputy General Manager	Former	21 July 2021	According to the administration methods for leadership teams of state-owned enterprises, he ceased to be Deputy General Manager for the reason of his age as decided by the Board of Directors.
Tang Bochao	Deputy General Manager	Former	14 September 2021	Resigned for personal reasons
Lang Dingchang	Independent Director	Former	12 October 2021	Deceased due to illness
Zhang Yu	Director and Vice Chairman of the Board	To-be	27 December 2021	Nominated by the higher organization and the Board of Directors, which is to be finalized at a general meeting of shareholders
Liu Yang	Deputy General Manager	Incumbent	27 December 2021	Appointed by the Board of Directors
Li Jian	Deputy General Manager	Incumbent	27 December 2021	Appointed by the Board of Directors
Zhang Xin	Supervisor	To-be	27 December 2021	Nominated by the higher organization, which is to be finalized at a general meeting of shareholders
Yang Ling	Supervisor	Former	27 December 2021	Resigned for a job change
Li Shuguang	Director	Former	18 February 2022	Resigned for a job change
Jiang Wenge	Vice Chairman of the Board and General Manager	Incumbent	18 February 2022	Elected and appointed by the Board of Directors
Xiao Hao	Director	To-be	3 March 2022	Nominated by the higher organization and the Board of Directors, which is to be finalized at a general meeting of shareholders
Yue Song	Deputy General Manager	Incumbent	3 March 2022	Appointed by the Board of Directors
Jiang Jia	Chief Economist	Incumbent	3 March 2022	Appointed by the Board of Directors
Zhao Dong	Chief Engineer	Incumbent	3 March 2022	Ceased to be Deputy General Manager and became Chief Engineer as appointed 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. 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 Party 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 Party Committee, and Secretary of the Party Working Committee of Lingang Economic Development Zone. At present, he serves as the

Secretary of the Party Committee and the Chairman of the Board of the Company, as well as the Secretary of the Party Committee and the Chairman of the Board of Wuliangye Group.

(2) Mr. Jiang Wenge, a master's degree holder. 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 Party Committee, Vice Chairman of the Board, and General Manager of the Company.

(3) Ms. Xu Bo, a bachelor's degree holder, Vice Chairman of Yibin Municipal Committee of the Kuomintang Revolutionary Committee, a member of the Provincial Committee of the Kuomintang Revolutionary Committee. 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.

(4) 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 Party 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 Party Committee of Wuliangye Group from April to December 2020, and Deputy Secretary of the Party Committee of the Company from December 2020 to December 2021. He has been a member of the Party Committee of the Company since December 2021 and is also a Director-to-be and Vice Chairman of the Board-to-be of the Company.

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

(6) Ms. Jiang Lin, a doctoral degree holder. She began to work in July 2004 and successively served in Research Office of Chongqing Municipal Government, Research Office of Chengdu Municipal Committee, Chengdu Finance Office, Tianfu International Fund Area, and Wanchuang Investment Holdings Chengdu Co., Ltd. She once served as the Deputy Head of the Economy Division of the Research Office of Chengdu Municipal Committee, Deputy Head and Head of the Capital Market Division of the Chengdu Finance Office, Director and General Manager of the Tianfu International Fund Area, and Deputy General Manager of Wanchuang Investment Holdings Chengdu Co., Ltd. She now serves as a member of the Party Committee, Director, Deputy General Manager and Board Secretary of the Company.

(7) Mr. Zhou Yousu, a bachelor's degree holder and professor. He began to work in July 1983 and once served Sichuan Academy of Social Sciences and Meigu County Committee of Sichuan Province. He now serves

as a researcher and professor of Sichuan Academy of Social Sciences, Independent Director of the Company, Independent Director of Chengdu Huasun Technology Group Inc., Ltd., Independent Director of Sichuan Road&Bridge Co., Ltd., and Independent Director of Sichuan Development Lomon Co., Ltd.

(8) Mr. Gan Shengdao, a doctoral degree holder and professor. He has been working on the teaching and scientific research of financial management and accounting in Sichuan University since July 1990. He now serves as a professor, doctoral supervisor, post-doctoral co-supervisor in accounting of Business School, Sichuan University, Independent Director of the Company, Independent Director of RYCHIP Semiconductor Inc. Ltd., Independent Director of Chengdu XGimi Technology Co., Ltd., Independent Director of Chengdu RML Technology Co., Ltd., and Outside Director of Sichuan Fortune Enterprises M&A Investment Co., Ltd.

(9) 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 Party Committee and Vice President of Beijing Technology and Business University. He now serves as the Independent Director of the Company, Professor of Beijing Technology and Business University, Independent Director of BJB (Beijing) Information Technology Co., Ltd., and Independent Director of China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.

(10) 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 Sichuan Business Law Research Association, Executive Director of China Business Law Research Association, Arbitrator of China International Economic and Trade Arbitration Commission, and Arbitrator of Chengdu Arbitration Commission, and Independent Director of the Company, Independent Director of Chengdu Corpro Technology Co., Ltd., Independent Director of Sichuan MINGxing Electric Power Co., Ltd., and Independent Director of Sichuan Jule Food Co., Ltd.

(11) Mr. Liu Ming, a bachelor's degree holder, senior engineer, 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 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 Party Committee of the Company since February 2022 and a candidate for the supervisor of the Company and for the chairman of the Supervisory Committee of the Company since March 2022.

(12) Ms. Liu Feng, a bachelor's degree holder. She began to work in July 1990 and once served in Yibin Tianyuan Group Co., Ltd., Yibin Agricultural Machinery Bureau, and Yibin Civil Air Defense Office. She once served as the headmaster of the technical school, Deputy Director of the Design and Research Institute and Deputy Director of the Staff Education Institute of Yibin Tianyuan Group Co., Ltd., a member of the Party Group of the Yibin Civil Air Defense Office, head of the discipline inspection team, and the special inspector for discipline inspection and supervision. She now serves as a Supervisor of the Company, as well as a member of the Party Committee and Secretary of the Commission for Discipline Inspection of Yibin Development Group.

(13) Mr. Zhang Xin, a master's degree holder. He once successively served in Yibin Regional Bureau of Finance, Yibin Regional State-owned Assets Supervision and Administration Commission. He once successively served as the Full-time Deputy Secretary of Institutional Party Committee and Head of the Asset Management

Section. He has been a member of the Party Committee and Deputy General Manager of Yibin Development Group since December 2020. He has been a supervisor candidate for the Company since December 2021.

(14) 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.

(15) Ms. Cao Hongying, a junior college graduate and senior engineer. She began to work in December 1981 and served as the Deputy Director of the Product R&D Department of the Company in December 2012, Secretary of Party Committee of Workshop 506 of the Company in August 2017, and Secretary of Party Committee and Director of Workshop 506 of the Company in May 2018. She now serves as an Employee Supervisor, Secretary of the Party Branch and the Director of Workshop 506, and the Director of the Baijiu Body Design Center of the Company.

(16) Mr. Luo Wei, a master's degree holder. He began to work in July 1986 and once served in Yibin Municipal Bureau of Finance, Municipal Audit Bureau, Municipal Investment Group Co., Ltd., and Yibin Airport Co., Ltd. He once served as the Deputy Director of Yibin Municipal State-owned Assets Supervision and Administration Commission, a member of the Party Group and head of the discipline inspection team of Yibin Municipal Audit Bureau, a member of the Party Committee, Vice President and Chief Accountant of Yibin Paper Industry Co., Ltd., a member of the Party Committee and Deputy General Manager of Yibin Investment Group Co., Ltd., and Deputy Secretary of the Party Committee and General Manager of Yibin Airport Co., Ltd. He now serves as a member of the Party Committee, Deputy General Manager, and Chief Financial Director of the Company.

(17) Mr. Zhao Dong, a bachelor's degree holder, senior engineer, and China Liquor Brewing Master. He began to work in August 1986 and served in Wuliangye distillery in May 1989. He once served as the Secretary of Party Committee and Director of Workshop 607 of Wuliangye distillery, Director of the Technology Research Center of the Company, Secretary of the Eleventh Party Branch and President of the Branch Labor Union, and Deputy General Manager and Deputy Chief Engineer of the Company. He has been a member of the Party Committee and the Chief Engineer of the Company since March 2022.

(18) 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 served as a member of the Party Committee and Chief Economic Engineer of Wuliangye Group in April 2020 and has been a member of the Party Committee and the Chief Economist of the Company since March 2022.

(19) Mr. Yue Song, a bachelor's degree holder and senior brewing technician. He served in the People's Liberation Army Navy in December 1990 and worked in Wuliangye distillery in December 1995. He once served as the Deputy Director of the Company Office, Deputy Director of the Office of the Board of Directors, Secretary of Party Committee and President of the Branch Labor Union of Workshop 505 and Workshop 523, 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 has been a Deputy General Manager of the Company since March 2022.

(20) Mr. Liu Yang, a bachelor's degree holder. He began to work in July 2001 and served in Meishan City from July 2001 to May 2017. He once served as the Deputy County-level Official of Meishan City and Director of

the Economic Cooperation Bureau of Meishan Municipal Government in Beijing. He worked in Yibin City from May 2017 to December 2021 and served as the Director of the Liaison Office of Yibin Municipal Government in Beijing (and concurrently the Director of the Beijing Branch of the Municipal Economic Cooperation and Foreign Affairs Bureau). He has been a Deputy General Manager of the Company since December 2021.

(21) 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 Party Committee and Deputy General Manager of Shunan Culture & Tourism Group. He has been a Deputy General Manager of the Company since December 2021.

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	Sichuan Yibin Wuliangye Group Co., Ltd.	Secretary of the CPC Committee and Chairman of the Board			No
Xu Bo	Yibin Development Holding Group Co., Ltd.	Director and General Manager			Yes
Liu Feng	Yibin Development Holding Group Co., Ltd.	Member of the CPC Committee and Secretary of the Commission for Discipline Inspection			Yes

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
Jiang Lin	Sichuan Yibin Wuliangye Group Finance Co., Ltd., Yibin Wuliangye Fund Management Co., Ltd., Sichuan Bank Company Limited, and Sichuan United Liquor Exchange Co., Ltd.	Director			No
Zhou Yousu	Sichuan Academy of Social Sciences	Researcher			Yes
	Chengdu Huasun Technology Group Inc., Ltd., Sichuan Road&Bridge Co., Ltd., and Sichuan Development Lomon Co., Ltd.	Independent Director			Yes
Gan Shengdao	Sichuan University	Professor, doctoral supervisor, and post-doctoral co-supervisor in accounting			Yes
	Chengdu RYCHIP Semiconductor Inc. Ltd., Chengdu XGimi Technology Co., Ltd., and RML	Independent Director			Yes

	Technology Co., Ltd.				
	Sichuan Fortune Enterprises M&A Investment Co., Ltd.	Outside Director			Yes
Xie Zhihua	Beijing Technology and Business University	Teaching			Yes
	BJB (Beijing) Information Technology Co., Ltd. and China Non-ferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.	Independent Director			Yes
Wu Yue	Southwestern University of Finance and Economics	Professor of School of Law			Yes
	Chengdu Corpro Technology Co., Ltd., Sichuan Mingxing Electric Power Co., Ltd., and Sichuan Jule Food 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	Office title	Gender	Age	Status	Total before-tax remunerations from the Company	Paid by any related party or not
Zeng Congqin	Chairman of the Board	Male	53	Incumbent	99.35	No
Jiang Wenge	Vice Chairman of the Board and General Manager	Male	55	Incumbent	77.43	No
Xu Bo	Director	Female	54	Incumbent		Yes
Jiang Lin	Director, Deputy General Manager and Board Secretary	Female	42	Incumbent		Yes
Zhou Yousu	Independent Director	Male	69	Incumbent	10	No

Gan Shengdao	Independent Director	Male	55	Incumbent	10	No
Xie Zihua	Independent Director	Male	62	Incumbent	6	No
Wu Yue	Independent Director	Male	55	Incumbent	6	No
Liu Ming	Supervisor and Chairman of the Supervisory Committee-to-be	Male	51	Incumbent	248.92	No
Liu Feng	Supervisor	Female	52	Incumbent		Yes
Wu Guoping	Employee Supervisor	Male	52	Incumbent	72.21	Yes
Cao Hongying	Employee Supervisor	Female	55	Incumbent	255.99	No
Luo Wei	Deputy General Manager and CFO	Male	57	Incumbent	77.43	No
Zhao Dong	Chief Engineer	Male	57	Incumbent	77.86	No
Liu Yang	Deputy General Manager	Male	43	Incumbent		No
Li Jian	Deputy General Manager	Male	47	Incumbent		No
Li Shuguang	Director	Male	59	Former	86.57	No
Zou Tao	Vice Chairman of the Board and General Manager	Male	43	Former	80.01	No
Tang Shengyun	Deputy General Manager	Male	59	Former	77.84	No
Jiang Wenchun	Chairman of the Supervisory Committee	Male	51	Former	86.77	Yes
Yang Ling	Supervisor	Female	35	Former		Yes
Fu Nanping	Independent Director	Male	60	Former	5	No
Zhu Zhongyu	Deputy General Manager	Male	58	Former	63.15	No
Tang Bochao	Deputy General Manager	Male	57	Former	62.94	No
Lang Dingchang	Independent Director	Male	56	Former	4.2	No
Total	--	--	--	--	1,407.67	--

Note: The remunerations of Mr. Zeng Congqin included part of his remunerations for 2019. Ms. Jiang Lin served as a Director during the Reporting Period, and has become a Deputy General Manager and the Board Secretary since March 2022. Mr. Liu Yang and Mr. Li Jian took office in the Company in late December 2021. Mr. Jiang Wenchun served as the Chairman of the Supervisory Committee from June to December 2021. His remunerations included the allowances for serving as the Assistant to General Manager from January to March 2020 but did not include the pay of RMB183,100 for serving in Wuliangye Group. Mr. Wu Guoping was given a pay of RMB37,100 by Wuliangye Group.

6. Activities of Directors during the Reporting Period

1. Board Meetings Convened during the Reporting Period

Meeting	Date of the meeting	Disclosure date	Resolutions
The 83 rd Meeting of the Fifth Board of Directors	06-11 January 2021	N/A	The Proposal on the Comprehensive Budget Adjustment Plan for 2020 was approved.
The 84 th Meeting of the Fifth	01-03 February 2021	6 February 2021	See Announcement 2021/No. 003

Board of Directors			
The 85 th Meeting of the Fifth Board of Directors	05-07 February 2021	N/A	The Proposal on the Incorporation of Joint Venture Chinese Baijiu Education Technology Co., Ltd. was approved.
The 86 th Meeting of the Fifth Board of Directors	8 February 2021	N/A	The Proposal on Adjustments to the Investment in the Distillery Waste Water Comprehensive Treatment Project was approved.
The 87 th Meeting of the Fifth Board of Directors	25 April 2021	28 April 2021	See Announcement 2021/No. 007
The 88 th Meeting of the Fifth Board of Directors	25 May 2021	N/A	The Proposal on the Adjustment of the Name of the 120,000-ton Eco-friendly Brewing Project (Phase II) Supporting Facilities Project to “523 Workshop to Liujiacao Region Road and Ancillary Project” was approved.
The 89 th Meeting of the Fifth Board of Directors	31 May-8 June 2021	N/A	The Proposal on the Construction of a New Centralized Sewage Treatment Plant (Project Establishment) was approved.
The 90 th Meeting of the Fifth Board of Directors	2 June 2021	4 June 2021	See Announcement 2021/No. 015
The 91 st Meeting of the Fifth Board of Directors	20 July 2021	N/A	The Proposal on the Acceptance of Expropriation of Properties in Front of the Company’s Plant was approved.
The 92 nd Meeting of the Fifth Board of Directors	20 July 2021	22 July 2021	See Announcement 2021/No. 023
The 93 rd Meeting of the Fifth Board of Directors	29 July 2021	30 July 2021	See Announcement 2021/No. 024
The 94 th Meeting of the Fifth Board of Directors	25 August 2021	30 August 2021	See Announcement 2021/No. 025
The 95 th Meeting of the Fifth Board of Directors	26-28 October 2021	N/A	The Third Quarterly Report 2021 was approved.
The 96 th Meeting of the Fifth Board of Directors	25-30 November 2021	N/A	The Proposal on the Issuance of a Principal Shareholder Commitment Letter to Sichuan Yibin Wuliangye Group Finance Co., Ltd. was approved.
The 97 th Meeting of the Fifth	14-27 December 2021	28 December 2021	See Announcement 2021/No. 036

Board of Directors			
The 98 th Meeting of the Fifth Board of Directors	27 December 2021	28 December 2021	See Announcement 2021/No. 037
The 99 th Meeting of the Fifth Board of Directors	30 December 2021	N/A	The Proposal on the Comprehensive Budget Adjustment Plan for 2021 was approved.

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	17	2	15	0	0	No	1
Li Shuguang	17	0	17	0	0	No	1
Zou Tao	17	2	15	0	0	No	1
Jiang Wenge	17	2	15	0	0	No	1
Xu Bo	9	1	8	0	0	No	1
Jiang Lin	9	1	8	0	0	No	1
Fu Nanping	8	1	7	0	0	No	1
Zhou Yousu	17	2	15	0	0	No	1
Gan Shengdao	17	2	15	0	0	No	1
Xie Zhihua	9	1	8	0	0	No	1
Wu Yue	9	1	8	0	0	No	1
Lang Dingchang	4	1	3	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

The Board of Directors of the Company has set up five special committees, including the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Comprehensive Budget Management Committee.

1. Strategy Committee

In the Reporting Period, the Strategic Committee of the Company convened three meetings according to the relevant requirements of the Implementation Rules for Strategic Committee of the Company, hearing reports on the preparation work of the "14th Five-Year Plan", the work summary of the first half of the year, the promotion of key projects, the three-year action plan for the reform of state-owned enterprises, and marketing.

2. Audit Committee

In the Reporting Period, the Audit Committee was diligent and responsible in performing the responsibilities required by the system: (1) reviewed the Company's 1st quarter report of 2021, semi-annual report of 2021, and the 3rd quarter report of 2021 and formed resolutions; (2) reviewed the Company's renewal of employment of the accounting firm in 2022 and the audit budget, and formed resolutions; (3) determined the timing of audit of the financial and accounting statements 2021 through consultation with the accounting firm responsible for annual audit of the Company; (4) reviewed, for the first time, the summary financial and accounting statements of 2021 prepared by the Department of Finance of the Company before entry of the certified public accountants (CPA) for the annual audit, and provided written comments; (5) after entry of the CPA for annual audit, the Audit Committee and the CPAs for annual audit communicated about problems found during the audit and the time for submitting the audit report; and (6) the Audit Committee further reviewed the Company's financial and accounting statements 2021 and formed resolutions after the CPAs for the annual audit issued the preliminary audit opinions.

3. Nomination Committee

The Nomination Committee convened three meetings in the Reporting Period according to relevant provisions of the Implementation Rules for Nomination Committee of the Company, and agreed to nominate Ms. Xu Bo as a candidate for director, nominate Mr. Zou Tao and Mr. Liu Ming as candidates for officers, nominate Mr. Zhang Yu as a candidate for director, and nominate Mr. Liu Yang and Mr. Li Jian as candidates for officers.

4. Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee convened two meetings in the Reporting Period according to relevant provisions of the Implementation Rules for Remuneration and Appraisal Committee, and issued audit opinion on the prepayment of some annual performance-based salaries for the Company's senior executives in the first half of 2021 and the prepayment of the remuneration of the Company's senior executives in 2020.

5. Comprehensive Budget Management Committee

The committee convened two budget work meetings in the Reporting Period according to the Implementation Rules for Comprehensive Budget Management Committee of the Company, and deliberated and approved the Annual Budget Scheme 2021 and the Comprehensive Budget Adjustment Scheme 2021. The schemes mentioned above were submitted to the Board of Directors for deliberation and approval.

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	17,446
Number of in-service employees of major subsidiaries at the period-end	8,357
Total number of in-service employees at the period-end	25,803
Total number of paid employees in the Reporting Period	25,803
Number of retirees to whom the Company as the parent and its major subsidiaries need to pay retirement pensions	299
Functions	
Function	Number of employees
Production	19,381
Sales	1,159
Technical	4,050
Financial	205
Administrative	1,008
Total	25,803
Educational backgrounds	
Educational background	Number of employees
Junior college and beyond	6,913
High school to junior college (exclusive)	11,472
Middle school and below	7,418
Total	25,803

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 2022, training work of the Company will center on the strategy of "Reform, Innovation, Transformation, and Development", focus on the building of the talent team and strengthen the foundation of innovation and development. The Company will carry out hierarchical and classified trainings with rich contents and by flexible means based on the demand of the Company for reform and development and the demands of employees for diversified trainings, enhancing the planning, pertinency and effectiveness of educational training. The Company plans to carry out 130 trainings at company level, 111 trainings at department level, 238 trainings at workshop

level, 134 external trainings, and 54 skill trainings to provide strong human resources guarantee for the reform and innovation of the Company, so as to effectively match up with and promote strategic improvement of the Company and achievement of the annual operation objectives.

4. Labor Outsourcing

Applicable Not applicable

During 2021, the Company and its major majority-owned subsidiaries outsourced carriage, loading and unloading, temporary work, etc., for which they paid RMB132 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 2020 Final Dividend Plan approved at the 2020 Annual General Meeting of Shareholders, the Company declared a cash dividend of RMB25.8 (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 on 9 July 2021.

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
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)	30.23
Bonus issue from capital reserves (share/10 shares)	0
Share base (share)	3,881,608,005

Cash dividends (RMB) (tax inclusive)	11,734,100,999.12
Cash dividends in other forms (such as share repurchase) (RMB)	0
Total cash dividends (including those in other forms) (RMB)	11,734,100,999.12
Distributable profit (RMB)	47,031,016,639.11
Total cash dividends (including those in other forms) as % of the total profit to be distributed	100%
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 2021 final dividend plan, the Company intends to pay a cash dividend of RMB30.23 (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 RMB11,734,100,999.12; 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	N/A	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. As of the end of the Reporting Period, certain incumbent directors, supervisors and senior management participated in the employee stock ownership plan through an asset management plan of Guotai Junan.

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

During the Reporting Period, as approved at the first general meeting of holders under the employee stock ownership plan in 2021 and the first meeting of the management committee of the employee stock ownership plan in 2021, 50% of the 23,696,280 shares subscribed for by 2,428 employees under the employee stock ownership plan through a private placement were transferred in advance to the securities accounts of the holders by way of a “non-transaction transfer”. According to the Confirmation on Securities Ownership Transfer and Registration issued by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, as of the end of the Reporting Period, a total of 10,470,000 shares have been transferred to 2,408 holders by way of a “non-transaction transfer” under the employee stock ownership plan. The Company carries out the transfers and management under the employee stock ownership plan based on different awardees and by instalments.

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 informatoin:

Not applicable.

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 2021, in accordance with the requirements of laws and regulations such as the Company Law and the Basic Criteria of Enterprise Internal Control, the Company continuously established institutional norms for Party building, business operation, personnel management, and logistics support, and continued to improve the internal control system. The Company conducts internal control self-assessment work with full participation in accordance with national regulations every year. It set up steering groups for internal control self-assessment to guide a total of 58 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 and sales, production, and capital management, 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 continuously focus on the construction and implementation of the internal control system so that the internal control work can reach a higher level.

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

□ Yes √ No

XIII Management and Control of Subsidiaries during the Reporting Period

Name of company	Integration plan	Integration progress	Problems encountered in the integration	Measures taken	Progress	Subsequent plan
N/A						

XIV Self-assessment Report or Independent Auditor's Report on Internal Control**1. Self-assessment Report on Internal Control**

Date of full disclosure of the internal control assessment report	29 April 2022	
Index of full disclosure of the internal control assessment report	http://www.cninfo.com.cn	
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</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</p>

	deficiencies are recognized as general deficiencies.	or system. 3. General deficiencies: deficiencies in internal control other than material deficiencies and significant deficiencies are general deficiencies.
Quantitative criteria	<p>1. Material deficiencies: misstatement amount >3% of total operating revenue; misstatement amount >10% of net profit; misstatement amount >3% of total assets.</p> <p>2. Significant deficiencies: 1% of total operating revenue < misstatement amount ≤3% of total operating revenue; 5% of net profit < misstatement amount ≤10% of net profit; 1% of total assets < 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 <5%.</p> <p>3. General deficiencies: proportion of loss to net profit <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 2021, based on the Basic Rules on Enterprise Internal Control and other applicable regulations.	
Report disclosed or not	Disclosed
Disclosure date	29 April 2022
Index to the disclosed report	http://www.cninfo.com.cn
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

In December 2020, the China Securities Regulatory Commission issued the Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies (CSRC Announcement [2020] No. 69) The Company conducted a self-evaluation against the list and found that there was a situation where the Board of Directors had expired but had not been re-elected in time. In the Reporting Period, the Company actively promoted the re-election according to the procedures. On 27 April 2022, the Proposal on the Election of the Board of Directors of the Company was submitted to the 6th Meeting of the 5th Board of Directors in 2022 for deliberation and approval, and it still needs to be submitted to the general meeting of shareholders for approval. For details, see the Company's 2022/No. 011 announcement.

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

Name of the Company or subsidiary	Major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Governing discharge standards	Total discharge (metric ton)	Approved total discharge (metric ton)	Excessive discharge
The Company	COD	Direct discharge	1	Discharge outlets at Wuliangye Ecological Wetland	18.53mg/L	Table 1 of the Discharge Standard of Water Pollutants in Minjiang and Tuojiang Rivers (DB51/2311-2016)	82	198	N/A
	Ammonia nitrogen				0.47 mg/L		2	14.85	N/A
	Total nitrogen				6.6 mg/L		28	74.25	N/A
	Total phosphorus				0.25 mg/L		1	2.48	N/A
The Company	Sulfur dioxide	Organized and intermittent discharge	18	Natural gas boilers (Phase I) 1#-9#	Not detected	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	0.8	N/A	N/A
				Natural gas boilers (Phase II) 10#-15#	Not detected	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)		N/A	N/A
				Natural gas boilers (Phase III) 16#-18#		Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)		N/A	N/A
				Hot water boilers 1#-5#	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	0.001		N/A	N/A
The Company	Oxynitride	Organized and	18	Natural gas boilers	71.35mg/m ³	Table 3 of the Emission Standard of Air Pollutants	104	394.8	N/A

		intermittent discharge		(Phase I) 1#-9#		for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)				
				Natural gas boilers (Phase II) 10#-15#		Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)				N/A
				Natural gas boilers (Phase III) 16#-18#		Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)				N/A
			5	Hot water boilers 1#-5#	85.23mg/m ³	Table 3 of the Emission Standard of Air Pollutants for Coal-burning Oil-burning Gas-fired Boiler (GB13271-2014)	0.25	0.39	N/A	
The Company	Particulate matter	Organized and intermittent discharge	20	Broken leaven outlets 1#-20#	16.71mg/m ³	Table 2 of the Integrated Emission Standard of Air Pollutants (GB16297-1996)	6.7	N/A	N/A	
			18	Grain processing outlets 1#-18#	15.19mg/m ³	Table 2 of the Integrated Emission Standard of Air Pollutants (GB16297-1996)	6.1	N/A	N/A	

1. Construction and Operation of Pollution Control Facilities

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. The advanced treated tailwater is discharged after being treated by ecological wetlands and is under good condition.

At present, the Company has built 18 natural gas boilers (20t/h) in the Jiangbei industrial park and put them into operation, which adopt the advanced low-NOx combustion technology of first-line brands of German and run normally. The leaven production line is equipped with 20 bag-type dust collectors, and the grain processing production line is equipped with 18 bag-type dust collectors, all of which run normally.

2. Assessment of the Environmental Impact on Construction Projects and Other Administrative Licenses of Environmental Protection

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, carried out environmental protection acceptance after completion, and obtained the permit for setting up sewage outlets on rivers and a pollutant discharge permit.

3. Contingency Plan for Environmental Emergencies

The Company has formulated the Comprehensive Response Plan for Environmental Emergencies, which has been filed with Yibin Environmental Protection Bureau after expert review. On 9 November 2021, the Company carried out the "Emergency Drill for Environmental Emergencies", which tested the emergency response, the effectiveness of response measures and the organization and coordination ability under emergency situations, and laid a solid foundation for the construction of the Company's emergency response system.

4. Environmental Self-Monitoring Plan

According to the requirements of the Self-monitoring and Information Disclosure Measure for National Key Monitoring Enterprises (Trial) (HF [2013] No. 81) and the provisions of the pollutant discharge permit, the Company disclosed its self-monitoring plan, annual report and self-monitoring data to the society on the pollutant source monitoring information management and sharing platform of Sichuan Province. From January to December 2021, the Company disclosed totally 142,600 pieces of self-monitoring data.

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

5. Administrative Penalties Imposed for Environmental Issues during the Reporting Period

Company name or subsidiary name	Reason for penalty	Regulation violated	Penalty	Impact on the Company	Remediation measures
N/A					

6. Other Environmental Information that should Be Disclosed

N/A.

7. Measures Taken to Reduce Carbon Emissions in the Reporting Period and the Results

Applicable Not applicable

The biogas power demonstration project of sewage treatment plants was completed, including three 500KW biogas generator sets with a total of 1500KW and related engineering tasks to comprehensively utilize the biogas generated from anaerobic fermentation at Wuliangye wastewater station to generate electricity through the self-developed new gas generator set. Waste was turned into treasure and the synergy of the reduction of pollution and carbon emissions was achieved. The project can comprehensively utilize more than 4.4 million cubic meters of biogas (residual gas) from Wuliangye sewage treatment plants, generate about 8.2 million kWh of electricity, and reduce carbon dioxide emissions by about 4,300 tons every year.

8. Other Environmental Information

(1) Wuliangye firmly established the concept of "lucid waters and lush mountains are invaluable assets", incorporated the concept of green development into the entire production process and implemented the environmental protection responsibilities into all aspects of the Company. The Company stuck to the policy of "low-carbon, circular and ecological development" and established a sound responsibility system for environmental protection of the Party and government leading body and members and departments to clarify the responsibility for environmental protection.

(2) An Environmental Management Committee was set up, with the Chairman of the Company as the Director, the senior management as the Deputy Director and the first responsible person of relevant units as members, to coordinate and organize the implementation of the Company's environmental protection work in general. The Energy and Environmental Protection Management Department was set up, which is specifically responsible for the supervision of the implementation of environmental protection work; an ecological environment inspection team was established, which is responsible for the supervision of the implementation of

the ecological civilization construction in all units of the Company; an environmental monitoring station was built, which is specifically responsible for the thematic monitoring of pollutants emitted by all units; an environmental protection industry limited company was set up, which is responsible for the specialized treatment of the "Three Wastes" of the Company.

(3) The Company established and operated the ISO14001 environmental management system and the ISO50001 energy management system, and in accordance with the IPCC Guidelines for National Greenhouse Gas Inventories, the General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T32150-2015), the ISO14064 standard, and the Greenhouse Gas Accounting Methods, established a greenhouse gas management program. Many rules and regulations for internal management were formulated, such as the Environmental Protection Management System, the Measures for the Assessment of Environmental Protection, the Environmental Protection Responsibility Investigation System, the Contingency Plan for Environmental Emergencies, the Emergency Response Operation Plan for Heavy Pollution Weather, Management Measures for Environmental Monitoring Information Disclosure, and Energy and Environmental Protection Management Regulations for Construction Projects.

(4) The Company actively promoted the implementation of various special plans. According to the content of the Company's capacity expansion plans, combined with the national "3060" plan and the Company's vision of building a zero-carbon liquor enterprise, various aspects such as comprehensive energy consumption, energy supply costs, pollutant emissions, and carbon emissions are taken into consideration and the preparation of green development, carbon neutrality, and the 14th Five-Year Plan was organized and conducted.

(5) The Company actively promoted green projects

① The Company fully carried out the construction of the coal-to-gas project to replace coal with clean natural gas as a fuel for energy supply. The natural gas boilers adopt the advanced low-NO_x combustion technology of Saacke and Weishaupt, and at present, 18 horizontal type condensing natural gas boilers (20t/h) have been built and put into operation.

② The completion of the Songgong River (Wuliangye Section) Comprehensive Treatment Project, including environmental protection ecological wetland construction, river wetland construction, Songgong River channel cleanout and vegetation restoration on both sides, which integrates landscape function, demonstration function, pollution control function, became a Wuliangye environmental protection image window and an industry demonstration benchmark.

(6) In 2021, the Company treated a total of 4,209,000 tons of wastewater and the exhaust gas emissions were about 1.6 billion cubic meters, with 100% up-to-standard discharge/emission.

(7) There was no environmental pollution accident in 2021.

(8) The comprehensive use of distilled grain was 637,000 tons in 2021 and 1.34 million cubic meters of recycled water were used throughout the year.

II Corporate Social Responsibility (CSR)

For details, please refer to the Social Responsibility Report 2021 disclosed by the Company on 29 April 2022.

III Efforts in Poverty Alleviation and Rural Revitalization

In 2021, Wuliangye strictly implemented the requirements of the "Take off the hat without taking off responsibility, policy, help or supervision", upheld the assistance and support philosophy of "strengthening the linking for mindsets, mechanisms, and assistance and support for distinctive businesses", systematically formulated a five-year plan and an annual plan for targeted assistance and support, continuously improved the characteristic assistance and support model of "Wuliangye + village capital companies + characteristic industries

+ consumer markets + peasant households", focused on the industrial assistance and support, and continued to promote the long-term development of the supported areas and improved the residents' well-being to promote prosperity for all.

1. Focused on the construction of industrial bases and continuously unleashed the vitality of industrial revitalization

The Company seized the development opportunities of the province's "Industrial Base Construction Action" and "Construction of Competitive Areas of Characteristic Agricultural Products", fully implemented the construction of industrial bases in supported areas, gave impetus to industrial development through multiple channels, and helped regions that had shaken off poverty consolidate and expand the achievements made in poverty alleviation. Firstly, consolidated the achievements made in the construction of the polar fruit and vegetable (lentinus) industrial base. Based on the Litang Modern Agriculture Park, the construction of the polar fruit and vegetable (lentinus) industrial base was promoted and the industrial system integrating production, supply, and sales was established. In 2021, the base drove the village collective economy to achieve revenue of more than RMB5 million, provided more than 30 fixed-term employment positions, and more than 100 seasonal employment positions. The total salary payment of the year was nearly RMB1 million, and the total amount of dividend distribution was RMB500,000. Secondly, actively participated in the planning and construction of the "vegetable basket" vegetable supply base in Litang County. Naisha Village being a pilot project, a vegetable industrial park with the whole industry chain of "standardizing front-end channels, systematizing local production and local sales, and expanding to surrounding areas" was established. Thirdly, promoted the development of the Wuliangye Qingshanyan Bamboo (Nursery) Industry Base. Relying on the Wuliangye Qingshanyan Bamboo (Nursery) Industry Demonstration Base, the Company continuously developed diversified industries. The project construction scale reached dozens of acres, effectively creating more nearby jobs for underprivileged workers and promoting the development and growth of the village collective economy.

2. Extended the path of promoting consumer spending on products from poor areas and effectively expanded the product consumption market

The Company upheld the philosophy of the market and established a sales system of products from the supported areas that leverages internal and external strengths and combines online and offline channels through domestic sales as a driving force and empowered platform resources. Firstly, strengthened the Company's vitality of domestic sales. In 2021, the Company purchased dozens of categories of agricultural products from Litang County, Pingshan County, and Xingwen County through normalized purchasing instead of donation and centralized procurement in important solar terms, with a total purchase amount of more than RMB12.6 million. Secondly, expanded channels of export sales for products. By holding many major agricultural themed events such as special trade shows of agricultural products and the Sichuan Agricultural Expo, the Company strengthened the communication with product channels such as supermarkets, helped the agricultural products, such as lentinus and agaric from Litang County and other places to be sold on online sales platforms, and effectively expanded the online and offline consumer market.

3. Enhanced the building of grassroots organizations and significantly raised the efficiency of rural governance

Taking the actual conditions into consideration, the Company leveraged the leadership of grassroots Party organizations in supported areas, innovated the operation mechanism of collective economic organizations, guided village-level organizations to combine factors of production, and helped improve the quality and efficiency of grassroots governance. Firstly, enhanced the building of grassroots Party organizations. The Company played the role of the first resident secretary and working team in improving Party building and promoting rural revitalization, selected and appointed five resident cadres to take temporary posts as deputy secretaries of township and town

Party committees and first resident secretaries, enhanced the building of Party organizations, and continuously carried out lectures on the Party's policies and principles and policies that benefit farmers and residents by means of Party members delivering speeches on the spot, residents listening to speeches on the spot, and cadres answering questions on the spot. Secondly, strengthened the building of collective economic organizations. The Company continued to exert the capital leverage effect of the special funds donated to the industries in Litang County in the early stage, with a cumulative total of nearly RMB1 million to develop the collective economy, improved the collective economy's anti-risk ability, improved the mechanism of connecting and supporting farmers, and ensured the stable income of farmers. The development of relevant industries benefited more than 5,000 farmers and herdsmen in four villages, and the per capita annual income increased by over RMB5,000.

4. Dedicated to education assistance and further consolidated the regional talent support

The Company consistently took education assistance as a powerful leverage to promote the comprehensive economic and social development of regions. Firstly, improved the level of basic education. The Company donated RMB200 million to assist ten urban and rural basic education improvement projects in four central urban areas of Yibin SanJiang New Area, Cuiping District, Nanxi District, and Xuzhou District, so as to support the development of education in Yibin City; donated schoolbags, books, laptops and other educational and teaching materials with a total value of RMB120,000 to Mula Central School after visits, seminars, and site research. Secondly, continuously implemented the compassionate student financial aid fund project. The Company distributed RMB100,000 bursaries to 20 college students in Litang County at the rate of RMB5,000 per person for the fourth consecutive year; assisted seven students with financial difficulties in Yingxiong Village under Qingping Yi Xiang, Pingshan County; organized resident cadres to send 300 "compassionate student financial aid fund packages" to students from Xinwen County Wuliangye Hope Primary School, Heping Primary School in Gusong Town in Xingwen County, and Central Primary School in Jinping Town in Pingshan County.

5. Enriched and expanded publicity carriers, leading to a stronger atmosphere of social assistance

The Company actively expanded the publicity carriers for poverty alleviation and cultivated the atmosphere of social assistance. Firstly, prepared and released the first targeted poverty alleviation report. Through systematic review, the report presented Wuliangye's practice and concrete achievements of poverty alleviation in industry, education, consumption, culture, and Party building in recent years, demonstrated the sense of responsibility of large state-owned business consortium, and helped Wuliangye extract experience and promote its practice. Secondly, carefully produced and exhibited a feature film on assistance and support. Through the method of seeing the big through the small, the feature film considered the actual life of residents from supported areas the breakthrough point and demonstrated the specific cases of the Company lifting residents from supported areas out of poverty through paired assistance, and told the touching stories of Wuliangye working hand in hand with residents from supported areas. Thirdly, extensively promoted the publicity through media. A sound atmosphere of assistance and support was created through many media channels such as People's Daily, People's Daily Online, Sichuan Radio and Television, and Sichuan Daily, and by broadcasting on television, publishing on newspapers, loading on the Internet, and reposting on the WeChat.

Moving forward, Wuliangye will uphold the focus and keep to the right direction of assistance and support in accordance with the opinions of the Party Central Committee and the State Council on comprehensively promoting the key tasks of rural revitalization and the arrangements of the provincial Party committee and the provincial government. Combined with the resource endowment of supported areas, the Company will highlight the characteristics of industrial assistance and support, design the integration of production, supply and sales, and continue to improve the varieties and quality of agricultural products in industries bases, and the brand building and standardized production of industrial bases; continue to enhance the interaction and exchanges between villages and enterprises and carry out the joint building of the Party branch; continuously leverage the Company's

advantages in platforms and resources to publicize the regional brands, including Zangziyuan mushrooms, Chinese black mushrooms, and polar fruits and vegetables; base itself on the practical needs of the education and residents' well-being in supported areas to adopt a package of steps and make solid progress to contribute to a brighter future with "thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity". The Company will break new ground in comprehensively promoting rural revitalization and set the stage for the 20th National Congress of the CPC with concrete actions.

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

On 19 April 2018, the Company disclosed the Announcement on Undertakings Made in a Private Placement, which detailed the undertakings in five aspects made by the Company and its directors, controlling shareholder and actual controller as well as the directors and senior management who participated in the employee stock ownership plan. During the Reporting Period, the aforesaid entities and personnel all strictly abided by their undertakings.

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

(1) Changes to Significant Accounting Policies

Change and reason	Approval procedure	Note
As the Ministry of Finance issued in December 2018 the revised Accounting Standard No. 21 for Business Enterprises—Leases (hereinafter, the "New Lease Standard"), the Company has adopted the New Lease Standard since 1 January 2021 and has prepared the financial statements according to the New Lease	Approved at the 94 th Meeting of the Fifth Board of Directors	

Standard, with no retrospective restatement of the comparative data.		
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(2) Changes to Significant Accounting Estimates

No changes occurred to the major accounting estimates during the Reporting Period.

(3) Adjustments to the Relevant Financial Statement Line Items at the Beginning of 2021 when the New Lease Standard Was First Adopted

As the lessee, the Company adopted a simple approach for short-term and low-value leases which expired within 12 months of the first adoption day of the New Lease Standard. On that day, the Company made the following adjustments:

① For finance leases before the first adoption day, the Company recognized on that day right-of-use assets and lease liabilities based on the original carrying values of assets obtained under leases and payables for finance leases.

② For operating leases before the first adoption day, on that day, the Company measured lease liabilities based on the present value of outstanding lease payments discounted at the interest rate for new borrowings on that day (loan rates of financial institutions for the Company on the same day: 3.3%-4%), chose to measure right-of-use assets according to an amount equivalent to the lease liability of each lease, and made necessary adjustments according to prepayments for leases.

The Company recognized the cumulative effects of the first adoption of the New Lease Standard as adjustments to the amounts of the relevant financial statement line items on the first adoption day, with no adjustments made to the comparative data.

The consolidated financial statements:

Item	Balance sheet		
	31 December 2020	Adjustment	1 January 2021
Right-of-use assets		146,707,923.47	146,707,923.47
Lease liabilities		73,960,277.66	73,960,277.66
Current portion of non-current liabilities		72,747,645.81	72,747,645.81

The financial statements of the Company as the parent:

Item	Balance sheet		
	31 December 2020	Adjustment	1 January 2021
Right-of-use assets		3,517,015.52	3,517,015.52
Lease liabilities		2,157,321.56	2,157,321.56
Current portion of non-current liabilities		1,359,693.96	1,359,693.96

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 has strengthened the disposal of less competitive business entities that are not part of its principal operations. On 19 November 2021, three wholly-owned subsidiaries of the Company, namely Yibin Cuipingshan Liquor Co., Ltd., Yibin Century Liquor Co., Ltd. and Yibin Zhenwushan Liquor Co., Ltd., were de-registered and

have been excluded from the Company's consolidated financial statements since that day.

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)	132 (exclusive of the internal control audit fee)
How many consecutive years the domestic CPA firm has provided audit service for the Company	21
Names of the certified public accountants from the domestic CPA firm writing signatures on the independent auditor's report	Li Wulin, Luo Guiqiu, and Ye Juan
How many consecutive years the certified public accountants have provided audit service for the Company	Li Wulin: 1 year; Luo Guiqiu: 1 year; and Ye Juan: 2 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 2021, 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

The Company had no significant lawsuits or arbitrations during the Reporting Period. It made a total payment of RMB1.16 million for three insignificant lawsuits.

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 “XI 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%~3.045%	2,860,053.89	2,231,179.12	1,627,649	3,463,584.01

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	294,036.01

Notes: 1. According to the Financial Service Agreement signed between the Company and Wuliangye Group Finance on 2 April 2021, the daily total balance of outstanding loans and unused credit with Wuliangye Group Finance shall not exceed RMB10 billion in 2021.

2. The “amount incurred” in the Reporting Period includes the discounted bank acceptance notes of

RMB2,925.3601 million with Wuliangye Group Finance (annual interest rate: 2.1%; interest payment: RMB36.5736 million; and undue bank acceptance notes as of the end of the Reporting Period: RMB2,567.2964 million) and the bank acceptance notes of RMB15 million issued by Wuliangye Group Finance for the Company's subsidiary.

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

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. Three wholly-owned subsidiaries of the Company, namely Yibin Cuipingshan Liquor Co., Ltd., Yibin Century Liquor Co., Ltd. and Yibin Zhenwushan Liquor Co., Ltd., were de-registered, which had no impact on the Company's ordinary course of business.

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	85,821,735	2.21%				-85,711,491	-85,711,491	110,244	0.00%
1. Shares held by the state									
2. Shares held by state-owned corporations									
3. Shares held by other domestic investors	85,821,735	2.21%				-85,711,491	-85,711,491	110,244	0.00%
Of which: Shares held by domestic corporations	85,641,285	2.21%				-85,641,285	-85,641,285		
Shares held by domestic individuals	180,450	0.00%				-70,206	-70,206	110,244	0.00%
4. Shares held by overseas investors									
Of which: Shares held by overseas corporations									
Shares held by overseas individuals									
II Unrestricted shares	3,795,786,270	97.79%				85,711,491	85,711,491	3,881,497,761	100.00%
1. RMB-denominated ordinary shares	3,795,786,270	97.79%				85,711,491	85,711,491	3,881,497,761	100.00%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III Total shares	3,881,608,005	100.00%				0	0	3,881,608,005	100.00%

Reasons for share changes:

√ Applicable □ Not applicable

The share changes were mainly attributable to restricted shares in the private placement being allowed for public trading, the expiry of the lockup periods of shares held by former senior management, etc.

Approval of share changes:

Applicable Not applicable

As approved at the 11th Meeting of the Fifth Board of Directors and the 2015 Annual General Meeting of Shareholders of the Company, and with consent from the State-owned Assets Supervision and Administration Commission of Sichuan Province and the China Securities Regulatory Commission, the Company carried out a private placement of 85,641,285 RMB-denominated ordinary shares to no more than 10 investors in April 2018, which were listed on the Shenzhen Stock Exchange on 20 April 2018. The lockup period of the aforesaid restricted shares expired on 19 April 2021. Upon examination by a sponsor and application to the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, those shares were allowed for public trading on 3 June 2021.

Transfer of share ownership:

Applicable Not applicable

As approved at the first general meeting of holders under the employee stock ownership plan in 2021 and the first meeting of the management committee of the employee stock ownership plan in 2021, the shares subscribed for under the employee stock ownership plan through a private placement would be transferred to the securities accounts of the holders by way of a “non-transaction transfer”. As of the end of the Reporting Period, a total of 10,470,000 shares have been transferred to 2,408 holders by way of a “non-transaction transfer” under the employee stock ownership plan. The Company will carry out the rest of the transfers under the employee stock ownership plan based on different awardees and by instalments.

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

Unit: share

Shareholder	Opening restricted shares	Increase in the current period	Unlocked in the current period	Closing restricted shares	Reason for restriction	Date of unlocking
The Corporate Pension Plan of China National Petroleum Corporation – Industrial and Commercial Bank of China Limited	3,012,610		3,012,610	0	Shares subscribed for in a private placement being allowed for public trading	20210603
Taikang Life Insurance Co., Ltd. – Universal – Universal Personal Insurance (B)	60,410		60,410	0		
Taikang Life Insurance Co., Ltd. –	3,004,003		3,004,003	0		

Universal—Universal Personal Insurance						
Taikang Life Insurance Co., Ltd.— Dividend—Group Dividend-019L-FH001 Shenzhen	902,503		902,503		0	
Taikang Life Insurance Co., Ltd.— Dividend—Individual Dividend-019L-FH002 Shenzhen	10,421,704		10,421,704		0	
Taikang Life Insurance Co., Ltd.— Traditional—General Insurance Product-019L-CT001 Shenzhen	6,699,647		6,699,647		0	
HuaAn Funds—Industrial Bank—China Foreign Economy and Trade Trust Co., Ltd.	2,033,272		2,033,272		0	
Jiaxing Kailian Airui Investment Partnership (Limited Partnership)	9,183,663		9,183,663		0	
HuaAn Funds—Industrial Bank— Qingdao Chengtou Financial Holding Group Co., Ltd.	5,179,875		5,179,875		0	
HuaAn Funds—Industrial Bank— Shanghai Automotive Investment Capital Co., Ltd.	2,033,271		2,033,271		0	
Guotai Junan Securities Asset Management—Bank of China—Guotai Junan Junxiang Wuliangye Collective Asset Management Plan No. 1	19,414,047		19,414,047		0	
Wuliangye Yibin Co., Ltd.—The First Employee Stock Ownership Plan	23,696,280		23,696,280		0	
Former directors and senior management	134,267	10,650	103,816	41,101	Lockup and unlocking of shares held by former directors and senior management	In accordance with the rules for restriction of shares held by former directors and senior management
Cao Hongying	2,325	5,415		7,740	Non-transaction transfer	In accordance with the rules for restriction of shares held by incumbent supervisors
Wu Guoping	0	17,545		17,545	Non-transaction transfer	
Total	85,777,877	33,610	85,745,101	66,386	--	--

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

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	5.80%	225,182,536	-14,450,564		225,182,536		
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	1.25%	48,532,880	27,416,359		48,532,880		

Central Huijin Asset Management Co., Ltd.	State-owned corporation	1.01%	39,325,400	-866,700		39,325,400		
Bank of China Limited – E Fund Blue Chip Selected Mixed Securities Investment Fund	Other	0.73%	28,400,000	6,541,501		28,400,000		
China Life Insurance Company Limited – Traditional – General Insurance Product-005L-CT001 Shenzhen	Other	0.62%	24,034,447	-9,158,715		24,034,447		
Industrial and Commercial Bank of China Limited – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	Other	0.54%	20,964,110	10,245,691		20,964,110		
Guotai Junan Securities Asset Management – Bank of China – Guotai Junan Junxiang Wuliangye Collective Asset Management Plan No. 1	Other	0.36%	14,000,064	-5,413,983		14,000,064		
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							
Top 10 unrestricted shareholders								
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	225,182,536	RMB-denominated ordinary shares	225,182,536					
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	48,532,880	RMB-denominated ordinary shares	48,532,880
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	28,400,000	RMB-denominated ordinary shares	28,400,000
China Life Insurance Company Limited— Traditional—General Insurance Product-005L-CT001 Shenzhen	24,034,447	RMB-denominated ordinary shares	24,034,447
Industrial and Commercial Bank of China Limited—Invesco Great Wall Newly Growth Mixed Securities Investment Fund	20,964,110	RMB-denominated ordinary shares	20,964,110
Guotai Junan Securities Asset Management —Bank of China—Guotai Junan Junxiang Wuliangye Collective Asset Management Plan No. 1	14,000,064	RMB-denominated ordinary shares	14,000,064
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		

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.	Liang Li	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 131,847,574 shares (or 16.88%) 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

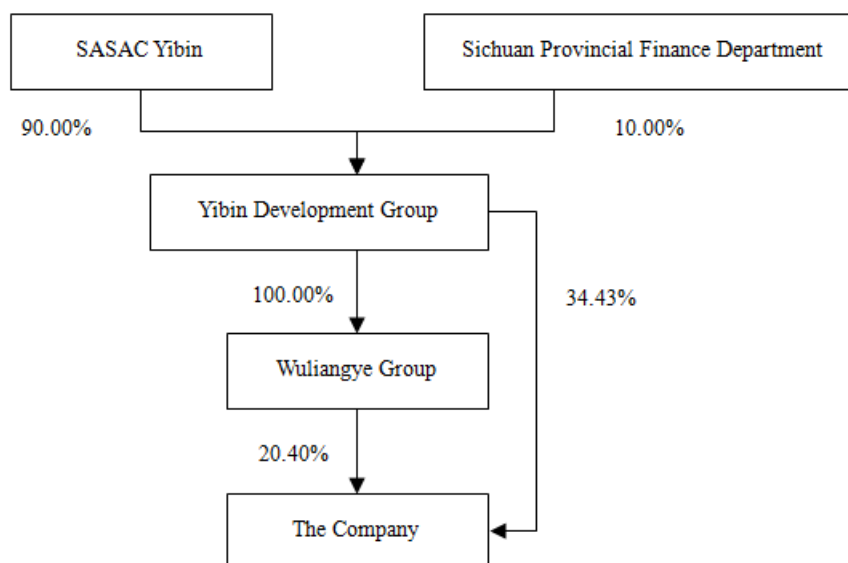
Name of the actual controller	Legal representative/person-in-charge	Date of incorporation	Organization code	Principal activities
The State-owned Assets Supervision and Administration Commission of the People's Government of Yibin City	Deng Wenguang	24 February 2005	N/A	N/A
Interests controlled in other domestically and overseas listed companies in the Reporting Period	SASAC Yibin indirectly held 131,847,574 shares (or 16.88%) 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	27 April 2022
Name of the independent auditor	Sichuan Huaxin (Group) CPA (LLP)
Number of the independent auditor's report	Huaxin Audit (2022) No. 0038
Names of the certified public accountants	Li Wulin, Luo Guiqiu, and Ye Juan

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 2021, 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 2021, and the consolidated and parent company operating results and cash flows for the year then ended, in conformity with the Chinese Accounting Standards (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
(I) Existence and integrity of monetary assets	
<p>Please refer to notes to financial statements "V. Notes to consolidated financial statements, 1. Monetary assets".</p> <p>As at 31 December 2021, the balance of monetary assets of the Company was RMB82,335.9559 million, accounting for 60.71% of the total assets.</p>	<p>With respect of monetary assets, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> 1. Understood, tested, and evaluated key internal controls related to the management of monetary assets; 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; 3. Obtained the bank statement and bank reconciliation for confirmation of the bank

<p>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 assets as a key audit matter.</p>	<p>accounts, and controlled the process of confirmation;</p> <p>4. Supervised the originals of certificate of time deposit, and paid attention to the holders of certificate of time deposit and other information;</p> <p>5. Obtained credit report of the enterprise and checked whether the monetary assets are under mortgage, charge or frozen;</p> <p>6. At the end of the period, the amount deposited with Sichuan Yibin Wuliangye Group Finance Co., Ltd. was RMB34,635.8401 million in total; the deposit and loan business of Sichuan Yibin Wuliangye Group Finance Co., Ltd. was checked.</p> <p>We believe that the above audit procedures can support the management of the Company in determining the existence and integrity of monetary assets.</p>
(II) Integrity of disclosure of related-party relationships and related-party transactions	
<p>Please refer to notes to financial statement "IX. Related parties and related-party transactions".</p> <p>In 2021, the Company had different categories of related-party transactions with related parties in large amount. There is a risk of failing to fully disclose the related-party relationships and related-party transactions in the notes to financial statements due to a large number of related parties and involving in various types of related-party transactions. Therefore, we consider the integrity of disclosure of related-party relationships and related-party transactions as a key audit matter.</p>	<p>With respect of related-party relationships and related-party transactions, we conducted the following audit procedures:</p> <p>1. Understood the procedures of the Company for related party identification, evaluated and tested the internal control of the Company for identifying and disclosing related-party relationships and related-party transactions;</p> <p>2. Obtained the list of related-party relationships provided by the management, and checked against the information obtained from other public channels; reviewed the major sales, purchase, and other transactions to identify any related-party relationship not being disclosed;</p> <p>3. Obtained the amount of related transactions and details of the balance provided by the management and checked against the financial records;</p> <p>4. Sample the amount and balance of related transactions for confirmation;</p> <p>5. Obtained the resolutions of the Board of Directors and those of the general meeting concerning the related-party transactions, and checked against the list of related-party relationships as well as the amount and balance of related transactions provided by the management;</p> <p>6. Obtained statement of the management about the integrity of related-party relationships and related-party transactions;</p> <p>7. Checked whether related-party relationships and related-party transactions had been fully disclosed according to the Accounting Standards for Business Enterprises.</p> <p>We believe that the above audit procedures can support the management of the Company in determining the existence and integrity of related-party relationships and related-party transactions.</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 2021 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: Luo Guiqiu

Chinese certified public accountant: Ye Juan

27 April 2022

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.

31 December 2021

Unit: RMB

Item	31 December 2021	31 December 2020
Current assets:		
Monetary assets	82,335,955,927.74	68,209,577,022.61
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	23,859,058,132.07	18,568,421,154.30
Accounts receivable	64,193,116.22	41,496,170.35
Receivables financing	1,641,509,588.69	2,024,442,016.72
Prepayments	195,652,974.42	247,259,080.42
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	26,288,496.24	36,199,607.12
Of which: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	14,015,067,118.25	13,228,273,631.45
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets		
Total current assets	122,137,725,353.63	102,355,668,682.97
Non-current assets:		
Loans and advances to customers		
Debt investments		

Other debt investments		
Long-term receivables		
Long-term equity investments	1,911,228,653.63	1,849,977,103.30
Other equity investments		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment property		
Fixed assets	5,610,147,000.37	5,866,880,860.03
Construction in progress	2,646,087,846.01	1,482,098,184.64
Productive living assets		
Oil and gas assets		
Right-of-use assets	697,805,952.69	
Intangible assets	556,398,465.19	433,611,890.55
Development costs		
Goodwill	1,621,619.53	1,621,619.53
Long-term prepaid expense	155,512,345.82	122,881,072.66
Deferred income tax assets	1,683,957,848.54	1,486,071,579.95
Other non-current assets	219,127,135.72	293,128,020.09
Total non-current assets	13,483,086,867.50	11,537,470,330.75
Total assets	135,620,812,221.13	113,893,139,013.72
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	872,040,239.87	763,628,891.84
Accounts payable	5,403,561,392.95	3,382,875,146.71
Advances from customers	10,970,385.19	23,949,793.92
Contract liabilities	13,058,652,246.11	8,618,543,467.25
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	3,335,937,141.30	3,629,524,988.52
Taxes and levies payable	5,192,183,704.90	5,542,200,330.67
Other payables	3,693,858,108.21	2,800,763,582.13
Of which: Interest payable		
Dividends payable	37,436,404.82	37,918,093.23
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	360,027,399.06	
Other current liabilities	1,688,367,639.42	1,117,452,799.61
Total current liabilities	33,615,598,257.01	25,878,939,000.65
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Lease liabilities	355,338,950.93	
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	257,991,368.32	255,953,368.36
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	613,330,319.25	255,953,368.36
Total liabilities	34,228,928,576.26	26,134,892,369.01
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	23,866,103,395.72	19,698,525,995.51
General reserve		
Retained earnings	68,638,139,859.37	59,443,191,559.08
Total equity attributable to owners of the Company as the parent	99,068,498,346.24	85,705,972,645.74
Non-controlling interests	2,323,385,298.63	2,052,273,998.97
Total owners' equity	101,391,883,644.87	87,758,246,644.71
Total liabilities and owners' equity	135,620,812,221.13	113,893,139,013.72

Legal representative: Zeng Congqin

Chief Financial Officer: Luo Wei

Head of the accounting department: Liu Hongxu

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2021	31 December 2020
Current assets:		
Monetary assets	43,723,114,772.56	35,797,929,213.94
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	50,000.00	
Accounts receivable		
Receivables financing		
Prepayments	32,605,050.85	75,493,465.93
Other receivables	7,827,776,183.91	7,066,125,125.42
Of which: Interest receivable		
Dividends receivable	1,153,154,780.16	734,729,782.94
Inventories		
Contract assets		
Assets held for sale		

Current portion of non-current assets		
Other current assets		
Total current assets	51,583,546,007.32	42,939,547,805.29
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	13,313,609,602.58	13,315,418,495.83
Other equity investments		
Other non-current financial assets	1,200,000.00	1,200,000.00
Investment property		
Fixed assets	97,722,498.48	94,199,222.32
Construction in progress	114,160,542.48	105,734,347.80
Productive living assets		
Oil and gas assets		
Right-of-use assets	3,757,317.38	
Intangible assets	41,628,936.23	44,593,088.87
Development costs		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	1,108,475.08	2,288,329.69
Other non-current assets		
Total non-current assets	13,573,187,372.23	13,563,433,484.51
Total assets	65,156,733,379.55	56,502,981,289.80
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,134,674.42	781,064.42
Advances from customers		
Contract liabilities		
Employee benefits payable	3,747,183.77	8,803,447.13

Taxes and levies payable	65,068,408.85	33,466,208.83
Other payables	154,169,154.25	210,715,274.14
Of which: Interest payable		
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	1,816,912.87	
Other current liabilities		
Total current liabilities	225,936,334.16	253,765,994.52
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Lease liabilities	1,170,924.31	
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	500,000.00	500,000.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,670,924.31	500,000.00
Total liabilities	227,607,258.47	254,265,994.52
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	11,333,854,390.82	9,464,358,442.95

Retained earnings	47,031,016,639.11	40,220,101,761.18
Total owners' equity	64,929,126,121.08	56,248,715,295.28
Total liabilities and owners' equity	65,156,733,379.55	56,502,981,289.80

3. Consolidated Income Statement

Unit: RMB

Item	2021	2020
I Total revenues	66,209,053,612.11	57,321,059,453.15
Of which: Operating revenue	66,209,053,612.11	57,321,059,453.15
Interest income		
Insurance premium income		
Fee and commission income		
II Total costs and expenses	33,957,661,247.50	29,738,554,309.94
Of which: Cost of sales	16,318,778,588.82	14,811,961,478.65
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	9,789,698,016.98	8,092,348,596.10
Selling expense	6,503,506,131.90	5,578,918,523.98
Administrative expense	2,899,968,867.37	2,609,529,686.09
R&D expense	177,411,727.65	131,315,225.33
Finance costs	-1,731,702,085.22	-1,485,519,200.21
Of which: Interest expense	69,130,792.55	
Interest income	1,801,002,307.73	1,521,933,975.40
Add: Other income	215,728,235.35	162,373,770.41
Return on investment ("—" for loss)	97,346,566.33	93,504,494.16
Of which: Share of profit or loss of joint ventures and associates	97,346,566.33	93,504,494.16
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)	-2,601,524.74	1,024,420.84
Asset impairment loss (“—” for loss)	-7,531,487.70	-14,113,185.98
Asset disposal income (“—” for loss)	-1,905,183.84	1,129,293.57
III Operating profit (“—” for loss)	32,552,428,970.01	27,826,423,936.21
Add: Non-operating income	52,099,818.22	40,661,952.32
Less: Non-operating expense	154,124,342.53	188,638,670.83
IV Gross profit (“—” for gross loss)	32,450,404,445.70	27,678,447,217.70
Less: Income tax expense	7,942,954,115.44	6,765,106,808.16
V Net profit (“—” for net loss)	24,507,450,330.26	20,913,340,409.54
(I) By operating continuity		
1. Net profit from continuing operations (“—” for net loss)	24,507,450,330.26	20,913,340,409.54
2. Net profit from discontinued operations (“—” for net loss)		
(II) By ownership		
1. Net profit attributable to owners of the Company as the parent	23,377,074,353.40	19,954,809,594.52
2. Net profit attributable to non-controlling interests	1,130,375,976.86	958,530,815.02
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	24,507,450,330.26	20,913,340,409.54
Total comprehensive income attributable to owners of the Company as the parent	23,377,074,353.40	19,954,809,594.52
Total comprehensive income attributable to non-controlling interests	1,130,375,976.86	958,530,815.02
VIII Earnings per share:		
(I) Basic earnings per share	6.023	5.141
(II) Diluted earnings per share	6.023	5.141

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: Luo Wei Head of the accounting department: Liu Hongxu

4. Income Statement of the Company as the Parent

Unit: RMB

Item	2021	2020
I Operating revenue	6,072.98	40,800.00
Less: Cost of sales	3,997.51	0.00
Taxes and levies	169,236.15	76,817.34
Selling expense		
Administrative expense	108,298,808.63	117,170,397.30
R&D expense	49,585,654.07	42,712,530.27
Finance costs	-1,174,604,456.01	-903,071,222.56
Of which: Interest expense	120,978.03	

Interest income	1,174,761,559.86	903,108,973.17
Add: Other income	12,836,803.76	13,198,222.54
Return on investment (“—” for loss)	17,986,096,250.69	15,335,974,898.92
Of which: Share of profit or loss of joint ventures and associates	94,286,122.75	91,885,853.76
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)	-500,010.20	-343,590.35
Asset impairment loss (“—” for loss)		
Asset disposal income (“—” for loss)		
II Operating profit (“—” for loss)	19,014,985,876.88	16,091,981,808.76
Add: Non-operating income	75,201.02	10,278,787.15
Less: Non-operating expense	99,772,654.47	160,529,678.78
III Gross profit (“—” for gross loss)	18,915,288,423.43	15,941,730,917.13
Less: Income tax expense	220,328,944.73	144,692,687.72
IV Net profit (“—” for net loss)	18,694,959,478.70	15,797,038,229.41
(I) Net profit from continuing operations (“—” for net loss)	18,694,959,478.70	15,797,038,229.41
(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	18,694,959,478.70	15,797,038,229.41
VII Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2021	2020
I Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	80,952,960,804.29	62,667,576,569.99
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	24,522,993.00	56,724,988.21
Cash generated from other operating activities	2,045,885,363.36	2,243,660,435.98
Subtotal of cash generated from operating activities	83,023,369,160.65	64,967,961,994.18
Payments for goods and services	19,137,502,429.86	17,340,551,154.28
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	7,240,759,270.94	5,740,856,054.71
Taxes and levies paid	25,084,613,186.47	23,227,933,861.45
Cash used in other operating activities	4,785,552,400.33	3,960,293,330.53
Subtotal of cash used in operating activities	56,248,427,287.60	50,269,634,400.97
Net cash generated from/used in operating activities	26,774,941,873.05	14,698,327,593.21
II Cash flows from investing activities:		
Proceeds from the disposal of investments		
Return on investment	41,720,016.00	
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets	6,184,352.82	6,438,616.16
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	47,904,368.82	6,438,616.16
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	1,539,129,180.86	993,760,087.19
Payments for the acquisition of investments	5,625,000.00	734,693,877.55
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	1,544,754,180.86	1,728,453,964.74
Net cash generated from/used in investing activities	-1,496,849,812.04	-1,722,015,348.58
III Cash flows from financing activities:		
Capital contributions received		15,000,000.00
Of which: Capital contributions received by subsidiaries from non-controlling interests		
Borrowings received		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		15,000,000.00
Repayment of borrowings		
Interest and dividends paid	10,874,295,018.51	9,228,223,328.76
Of which: Dividends paid by subsidiaries to non-controlling interests	859,746,365.61	688,685,717.76
Cash used in other financing activities	395,161,935.55	
Subtotal of cash used in financing activities	11,269,456,954.06	9,228,223,328.76
Net cash generated from/used in financing activities	-11,269,456,954.06	-9,213,223,328.76
IV Effect of foreign exchange rate changes on cash and cash equivalents	-469,528.68	-130,439.21
V Net increase in cash and cash equivalents	14,008,165,578.27	3,762,958,476.66
Add: Cash and cash equivalents, beginning of the period	66,967,091,800.45	63,204,133,323.79
VI Cash and cash equivalents, end of the period	80,975,257,378.72	66,967,091,800.45

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	2021	2020
I Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	2,200.00	40,800.00
Tax and levy rebates		
Cash generated from other operating activities	1,053,801,847.71	3,721,490,020.40
Subtotal of cash generated from operating activities	1,053,804,047.71	3,721,530,820.40
Payments for goods and services		
Cash paid to and for employees	114,541,768.51	94,250,407.74

Taxes and levies paid	193,123,570.90	143,335,903.87
Cash used in other operating activities	521,409,386.01	471,475,162.79
Subtotal of cash used in operating activities	829,074,725.42	709,061,474.40
Net cash generated from/used in operating activities	224,729,322.29	3,012,469,346.00
II Cash flows from investing activities:		
Proceeds from the disposal of investments		
Return on investment	17,515,105,146.72	15,164,150,651.49
Net proceeds from the disposal of fixed assets, intangible assets and other long-term assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	17,515,105,146.72	15,164,150,651.49
Payments for the acquisition and construction of fixed assets, intangible assets and other long-term assets	21,157,071.16	11,002,115.83
Payments for the acquisition of investments	5,625,000.00	2,613,749,017.46
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	26,782,071.16	2,624,751,133.29
Net cash generated from/used in investing activities	17,488,323,075.56	12,539,399,518.20
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	10,014,548,652.90	8,539,537,611.00
Cash used in other financing activities	1,979,700.00	
Subtotal of cash used in financing activities	10,016,528,352.90	8,539,537,611.00
Net cash generated from/used in financing activities	-10,016,528,352.90	-8,539,537,611.00
IV Effect of foreign exchange rate changes on cash and cash equivalents		
V Net increase in cash and cash equivalents	7,696,524,044.95	7,012,331,253.20
Add: Cash and cash equivalents, beginning of the period	35,269,698,657.71	28,257,367,404.51
VI Cash and cash equivalents, end of the period	42,966,222,702.66	35,269,698,657.71

7. Consolidated Statements of Changes in Owners' Equity

2021

Unit: RMB

Item	2021												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
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				19,698,525,995.51		59,443,191,559.08		85,705,972,645.74	2,052,273,998.97	87,758,246,644.71
Add: Adjustments for changes in accounting policies															
Adjustments for correction of previous errors															
Adjustments for business combinations involving entities under common control															
Other															
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				19,698,525,995.51		59,443,191,559.08		85,705,972,645.74	2,052,273,998.97	87,758,246,644.71
III Increase/decrease in the period ("-" for decrease)								4,167,577,400.21		9,194,948,300.29		13,362,525,700.50	271,111,299.66	13,633,637,000.16	

(I) Total comprehensive income										23,377,074,353.40		23,377,074,353.40	1,130,375,976.86	24,507,450,330.26	
(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										4,167,577,400.21		-14,182,126,053.11	-10,014,548,652.90	-859,264,677.20	-10,873,813,330.10
1. Appropriated to surplus reserves										4,167,577,400.21		-4,167,577,400.21			
2. Appropriated to general reserve															
3. Distributed to owners (or shareholders)												-10,014,548,652.90	-10,014,548,652.90	-859,264,677.20	-10,873,813,330.10
4. Other															
(IV) Transfers within owners' equity															
1. Increase in capital (or share capital) from capital reserves															

		sh are s	nd s												
I Balance as at the end of the prior year	3,881,608,005.00				2,682,647,086.15				16,092,197,023.01		51,634,248,548.06		74,290,700,662.22	1,805,346,994.94	76,096,047,657.16
Add: Adjustments for changes in accounting policies															
Adjustments for correction of previous errors															
Adjustments for business combinations involving entities under common control															
Other															
II Balance as at the beginning of the year	3,881,608,005.00				2,682,647,086.15				16,092,197,023.01		51,634,248,548.06		74,290,700,662.22	1,805,346,994.94	76,096,047,657.16
III Increase/decrease in the period (“-” for decrease)								3,606,328,972.50		7,808,943,011.02		11,415,271,983.52	246,927,004.03	11,662,198,987.55	
(I) Total comprehensive income										19,954,809,594.52		19,954,809,594.52	958,530,815.02	20,913,340,409.54	
(II) Capital increase and reduction by owners													15,000,000.00	15,000,000.00	
1. Ordinary share increase by owners													15,000,000.00	15,000,000.00	
2. Capital increase by holders of other equity instruments															
3. Share-based payments															

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				19,698,525,995.51		59,443,191,559.08		85,705,972,645.74	2,052,273,998.97	87,758,246,644.71

8. Statements of Changes in Owners' Equity of the Company as the Parent

2021

Unit: RMB

Item	2021											
	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				9,464,358,442.95	40,220,101,761.18		56,248,715,295.28
Add: Adjustments for changes in accounting policies												
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				9,464,358,442.95	40,220,101,761.18		56,248,715,295.28
III Increase/ decrease in the period ("-" for decrease)								1,869,495,947.87	6,810,914,877.93			8,680,410,825.80
(I) Total comprehensive income									18,694,959,478.70			18,694,959,478.70
(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								1,869,495,947.87	-11,884,044,600.77			-10,014,548,652.90
1. Appropriated to surplus reserves								1,869,495,947.87	-1,869,495,947.87			
2. Distributed to owners (or shareholders)									-10,014,548,652.90			-10,014,548,652.90

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				11,333,854,390.82	47,031,016,639.11		64,929,126,121.08

2020

Unit: RMB

Item	2020											
	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				7,884,654,620.01	34,542,304,965.71		48,991,214,676.87
Add: Adjustments for changes in accounting policies												
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				7,884,654,620.01	34,542,304,965.71		48,991,214,676.87
III Increase/ decrease in the period (“-” for decrease)									1,579,703,822.94	5,677,796,795.47		7,257,500,618.41
(I) Total comprehensive income										15,797,038,229.41		15,797,038,229.41
(II) Capital 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									1,579,703,822.94	-10,119,241,433.94		-8,539,537,611.00
1. Appropriated to surplus reserves									1,579,703,822.94	-1,579,703,822.94		
2. Distributed to owners (or shareholders)										-8,539,537,611.00		-8,539,537,611.00
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				9,464,358,442.95	40,220,101,761.18		56,248,715,295.28

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 RMB3,795.96672 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 27 April 2022, and will be submitted to the general meeting for review according to the Articles of Association.

4. Scope of consolidated financial statements of current year

As of 31 December 2021, subsidiaries included in the scope of consolidated financial statements of the Company were:

Full name of subsidiary	Type of subsidiary	Tier	The Company's shareholding percentage	The Company's voting right percentage
Sichuan Yibin Wuliangye Distillery Co., Ltd.	Majority-owned subsidiary	First-tier	99.99%	99.99%
Yibin Wuliangye Liquor Sales Co., Ltd.	Majority-owned subsidiary	First-tier	95.00%	95.00%
Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd.	Majority-owned subsidiary	Second-tier	95.00%	95.00%
Yibin Wuliangchun Brand Marketing Co., Ltd.	Majority-owned subsidiary	Second-tier	95.00%	95.00%
Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.	Majority-owned subsidiary	Second-tier	95.00%	95.00%
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	Majority-owned subsidiary	First-tier	99.95%	99.95%
Yibin Jiangjiu Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd.	Majority-owned subsidiary	First-tier	51.00%	51.00%
Sichuan Jinwuxin Technology Co., Ltd.	Majority-owned subsidiary	Second-tier	51.00%	51.00%
Sichuan Jiebeike Environmental Technology Co., Ltd.	Majority-owned subsidiary	Second-tier	26.01%	26.01%
Yibin Changjiangyuan Liquor Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Yibin Changjiangyuan Trade Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Changjiangyuan Brewery Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Wuliangye Organic Agriculture Development Co., Ltd.	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Majority-owned subsidiary	First-tier	90.00%	90.00%

Yibin Xianlin Liquor Marketing Co., Ltd.	Majority-owned subsidiary	Second-tier	90.00%	90.00%
Yibin Wuliangye Xinshengdai Liquor Co., Ltd.	Majority-owned subsidiary	Second-tier	42.30%	42.30%
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	Majority-owned subsidiary	First-tier	98.53%	98.53%
Yibin Xinxing Packaging Co., Ltd.	Majority-owned subsidiary	Second-tier	98.53%	98.53%
Sichuan Yibin Plastic Packaging Materials Company Limited	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Sichuan Yibin Push Group 3D Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Guangdong Foshan Plastic Packaging Materials Company Limited	Wholly-owned subsidiary	Second-tier	100.00%	100.00%
Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.	Majority-owned subsidiary	First-tier	95.00%	95.00%
Wuhou Cultural Development Co., Ltd.	Majority-owned subsidiary	Second-tier	70.30%	70.30%
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Majority-owned subsidiary	First-tier	95.00%	95.00%
Handan Yongbufenli Liquor Co., Ltd.	Majority-owned subsidiary	First-tier	51.00%	51.00%
Linzhang Desheng Wine Trade Co., Ltd.	Majority-owned subsidiary	Second-tier	51.00%	51.00%
Handan Yongbufenli Sales Co., Ltd.	Majority-owned subsidiary	Second-tier	51.00%	51.00%
Huaibin Wubin Consultation Service Co., Ltd.	Wholly-owned subsidiary	First-tier	100.00%	100.00%
Wuguchun Jiu Ye Co., Henan. China	Majority-owned subsidiary	Second-tier	51.03%	51.03%
Huaibin Tenglong Trade Co., Ltd.C	Majority-owned subsidiary	Third-tier	51.03%	51.03%
WU JIU YE SALES CO., HENAN. China	Majority-owned subsidiary	Third-tier	51.03%	51.03%
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	Majority-owned subsidiary	First-tier	80.00%	80.00%
Sichuan Wuliangye Tourist Agency Co., Ltd.	Majority-owned subsidiary	Second-tier	80.00%	80.00%
Yibin Wuliangye Creart Co., Ltd.	Majority-owned subsidiary	First-tier	45.00%	51.00%
Wuliang Nongxiang Series Baijiu Yibin Co., Ltd.	Majority-owned subsidiary	First-tier	95.00%	95.00%
Sichuan Wuliangye New Retail Management Co., Ltd.	Majority-owned subsidiary	First-tier	90.00%	90.00%

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

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* (2014 revision) issued by China Securities Regulatory Commission on this basis.

2. Going concern

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

V Significant Accounting Policies and Accounting Estimates

It should obey the disclosure requirement for the food and wine manufacturing related industries in *SSE Guidelines No. 3 on the Application of Self-Regulation Rules for Listed Companies - Industry Information Disclosure* requirement

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. 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.

6. Methods for preparing consolidated financial statements

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

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

(2) Methods for preparing consolidated financial statements:

The 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.

7. 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.

8. 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.

9. Foreign currency transaction and foreign currency statement translation

- (1) Accounting methods of foreign currency transaction:

Foreign currency transaction shall be translated into the bookkeeping 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.

10. Financial instruments

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

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

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

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

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

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

11. Inventory

(1) Classification of inventory

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

(2) Valuation method of inventory

Grains, raw coal and auxiliary materials for producing 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.

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. 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.

14. 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.

15. Fixed assets

(1) Recognition conditions

Fixed assets refer to tangible assets which are held for producing goods, providing services, renting or operation and management and with service life 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.

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

17. Borrowing costs

(1) Recognition principles of borrowing costs:

Interest of borrowings, and amortization of discount or premium attributable to the acquisition and construction or production of fixed assets, investment properties and inventories meeting the conditions of capitalization period and capitalization amount should be capitalized and 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.

18. Right-of-use assets

Refer to "Part X, V. Significant Accounting Policies and Accounting Estimates, 28. Lease".

19. Intangible assets**(1) Valuation method, service life and impairment test**

a) Valuation and amortization of intangible assets: Externally acquired intangible assets shall be measured at the actual cost when acquired and averagedly 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 averagedly amortized over the expected service life since the month in which the intangible asset is ready for use.

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

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

(2) Accounting policy for internal research and development costs

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

If the enterprise provides dismissal benefits, payroll liabilities arising from dismissal benefits shall be recognized and 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. Lease liabilities

Refer to "Part X, V. Significant Accounting Policies and Accounting Estimates, 28. Lease".

24. 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.

25. Revenue

Accounting policy for recognition and measurement of 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

1. 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;

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

26. 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.

27. 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.

28. 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 and leases of low-value assets, the Company chooses not to recognise right-of-use assets and lease liabilities. They 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.

29. Changes to Significant Accounting Policies and Estimates

(1) Changes to Significant Accounting Policies

Applicable Not applicable

Change and reason	Approval procedure	Note
As the Ministry of Finance issued in December 2018 the revised Accounting Standard No. 21 for Business Enterprises—Leases (hereinafter, the “New Lease Standard”), the Company has adopted the New Lease Standard since 1 January 2021 and has prepared the financial statements according to the New Lease Standard, with no retrospective restatement of the comparative data.	Approved at the 94 th Meeting of the Fifth Board of Directors	

(2) Changes to Significant Accounting Estimates

Applicable Not applicable

(3) Adjustments to the Relevant Financial Statement Line Items at the Beginning of 2021 when the New Lease Standard Was First Adopted

Applicable Not applicable

Indicate whether the balance sheet line items at the beginning of the year were adjusted.

Yes No

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
Current assets:			
Monetary assets	68,209,577,022.61	68,209,577,022.61	
Settlement reserve			
Loans to other banks and financial institutions			
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable	18,568,421,154.30	18,568,421,154.30	
Accounts receivable	41,496,170.35	41,496,170.35	
Receivables financing	2,024,442,016.72	2,024,442,016.72	
Prepayments	247,259,080.42	247,259,080.42	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	36,199,607.12	36,199,607.12	
Of which: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	13,228,273,631.45	13,228,273,631.45	
Contract assets			

Assets held for sale			
Current portion of non-current assets			
Other current assets			
Total current assets	102,355,668,682.97	102,355,668,682.97	
Non-current assets:			
Loans and advances to customers			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	1,849,977,103.30	1,849,977,103.30	
Other equity investments			
Other non-current financial assets	1,200,000.00	1,200,000.00	
Investment property			
Fixed assets	5,866,880,860.03	5,866,880,860.03	
Construction in progress	1,482,098,184.64	1,482,098,184.64	
Productive living assets			
Oil and gas assets			
Right-of-use assets		146,707,923.47	146,707,923.47
Intangible assets	433,611,890.55	433,611,890.55	
Development costs			
Goodwill	1,621,619.53	1,621,619.53	
Long-term prepaid expense	122,881,072.66	122,881,072.66	
Deferred income tax assets	1,486,071,579.95	1,486,071,579.95	
Other non-current assets	293,128,020.09	293,128,020.09	
Total non-current assets	11,537,470,330.75	11,684,178,254.22	146,707,923.47
Total assets	113,893,139,013.72	114,039,846,937.19	146,707,923.47
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	763,628,891.84	763,628,891.84	
Accounts payable	3,382,875,146.71	3,382,875,146.71	
Advances from customers	23,949,793.92	23,949,793.92	
Contract liabilities	8,618,543,467.25	8,618,543,467.25	
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	3,629,524,988.52	3,629,524,988.52	
Taxes and levies payable	5,542,200,330.67	5,542,200,330.67	
Other payables	2,800,763,582.13	2,800,763,582.13	
Of which: Interest payable			
Dividends payable	37,918,093.23	37,918,093.23	
Fees and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities		72,747,645.81	72,747,645.81
Other current liabilities	1,117,452,799.61	1,117,452,799.61	
Total current liabilities	25,878,939,000.65	25,951,686,646.46	72,747,645.81
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		73,960,277.66	73,960,277.66
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income	255,953,368.36	255,953,368.36	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	255,953,368.36	329,913,646.02	73,960,277.66
Total liabilities	26,134,892,369.01	26,281,600,292.48	146,707,923.47
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	19,698,525,995.51	19,698,525,995.51	
General reserve			
Retained earnings	59,443,191,559.08	59,443,191,559.08	
Total equity attributable to owners	85,705,972,645.74	85,705,972,645.74	

of the Company as the parent			
Non-controlling interests	2,052,273,998.97	2,052,273,998.97	
Total owners' equity	87,758,246,644.71	87,758,246,644.71	
Total liabilities and owners' equity	113,893,139,013.72	114,039,846,937.19	146,707,923.47

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2020	1 January 2021	Adjustment
Current assets:			
Monetary assets	35,797,929,213.94	35,797,929,213.94	
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Prepayments	75,493,465.93	75,493,465.93	
Other receivables	7,066,125,125.42	7,066,125,125.42	
Of which: Interest receivable	0.00	0.00	
Dividends receivable	734,729,782.94	734,729,782.94	
Inventories			
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets			
Total current assets	42,939,547,805.29	42,939,547,805.29	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	13,315,418,495.83	13,315,418,495.83	
Other equity investments			
Other non-current financial assets	1,200,000.00	1,200,000.00	
Investment property			
Fixed assets	94,199,222.32	94,199,222.32	
Construction in progress	105,734,347.80	105,734,347.80	
Productive living assets			
Oil and gas assets			
Right-of-use assets		3,517,015.52	3,517,015.52
Intangible assets	44,593,088.87	44,593,088.87	
Development costs			
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	2,288,329.69	2,288,329.69	
Other non-current assets			

Total non-current assets	13,563,433,484.51	13,566,950,500.03	3,517,015.52
Total assets	56,502,981,289.80	56,506,498,305.32	3,517,015.52
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	781,064.42	781,064.42	
Advances from customers			
Contract liabilities			
Employee benefits payable	8,803,447.13	8,803,447.13	
Taxes and levies payable	33,466,208.83	33,466,208.83	
Other payables	210,715,274.14	210,715,274.14	
Of which: Interest payable			
Dividends payable			
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities		1,359,693.96	1,359,693.96
Other current liabilities			
Total current liabilities	253,765,994.52	255,125,688.48	1,359,693.96
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Of which: Preference shares			
Perpetual bonds			
Lease liabilities		2,157,321.56	2,157,321.56
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income	500,000.00	500,000.00	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	500,000.00	2,657,321.56	2,157,321.56
Total liabilities	254,265,994.52	257,783,010.04	3,517,015.52
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	9,464,358,442.95	9,464,358,442.95	
Retained earnings	40,220,101,761.18	40,220,101,761.18	
Total owners' equity	56,248,715,295.28	56,248,715,295.28	
Total liabilities and owners' equity	56,502,981,289.80	56,506,498,305.32	3,517,015.52

(4) Retrospective Restatement of Comparative Data due to the First Adoption of the New Lease Standard in 2021

Applicable Not applicable

VI Taxes

1. Main taxes and tax rates

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

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%
Wuhou Cultural Development Co., Ltd.	20%
Sichuan Jiebeike Environmental Technology Co., Ltd.	20%
Sichuan Jinwuxin Technology Co., Ltd.	20%
Yibin Wuliangye Xinchengdai Liquor Co., Ltd.	20%
Linzhang Desheng Wine Trade Co., Ltd.	20%
Sichuan Wuliangye Tourist Agency Co., Ltd.	20%

2. Tax preference

(1) Value added tax (VAT)

In January 2007, Sichuan Yibin Global Gelas 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 2021 was RMB23,654,400.00.

According to the *Notice of Taxation on Printing the Catalog of Preferential Value-added Tax for Comprehensive Utilization of Resources and Service* (C.SH. [2015] No. 78) of the Ministry of Finance and the State Administration of Taxation, the steam, white carbon black, lactic acid, and calcium lactate products sold by Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd. and produced with waste distilled grain and pot bottom water for brewing can enjoy the 70% drawback policy for the value-added tax realized since 1 July 2015. The amount of value-added tax refunded in 2021 was RMB868,593.00.

(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., Wuhou Cultural Development Co., Ltd., Sichuan Jiebeike Environmental Technology Co., Ltd., Sichuan Jinwuxin Technology Co., Ltd., Yibin Wuliangye Xinshengdai Liquor Co., Ltd., Linzhang Desheng Wine Trade Co., Ltd. and Sichuan Wuliangye Tourist Agency Co., Ltd. conform to the provisions of the *Notice on Implementing the Inclusive Tax Deduction Policy for Small and Micro Enterprises of the Ministry of Finance and the State Administration of Taxation* (C.S.H. [2019] No. 13), and the Announcement of the Ministry of Finance and the State Taxation Administration on *Implementing the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households* ([2021] No. 12), which specifying that if the annual taxable income of small low-profit enterprises is less than RMB1 million, the taxable income shall be 12.5% of such annual taxable income and the corporate income tax rate shall be 20%; if the annual taxable income is more than RMB1 million but less than RMB3 million, the taxable income shall be 50% of such annual taxable income and the corporate income tax rate shall be 20%.

VII Notes to Main Items of Consolidated Financial Statements

1. Monetary assets

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	21,897.04	25,283.79
Bank deposit	82,028,143,002.95	67,880,479,453.44
Other monetary assets	307,791,027.75	329,072,285.38
Total	82,335,955,927.74	68,209,577,022.61
Including: Total amount of funds restricted in use due to mortgage, pledge or freezing	307,498,340.40	329,069,085.01

Other notes

(1) Other monetary assets includes the balance of securities trading of RMB3,211.55 deposited with Yibin Business Department of Essence Securities, deposit of bank acceptance of RMB307,240,205.65, and other deposits of RMB547,610.55.

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

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

Applicable Not applicable

2. Notes receivable

(1) Notes receivable presented by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	23,859,058,132.07	18,568,421,154.30
Total	23,859,058,132.07	18,568,421,154.30

Unit: RMB

Category	Closing balance				Carrying value	Opening balance				Carrying value
	Carrying amount		Bad debt Provisions			Carrying amount		Bad debt provision		
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	

				(%)					(%)	
Including:										
Notes receivable with bad debt provision by combination	23,859,058,132.07	100.00%			23,859,058,132.07	18,568,421,154.30	100.00%			18,568,421,154.30
Including:										
Bank acceptance bill	23,859,058,132.07	100.00%			23,859,058,132.07	18,568,421,154.30	100.00%			18,568,421,154.30
Total	23,859,058,132.07	100.00%			23,859,058,132.07	18,568,421,154.30	100.00%			18,568,421,154.30

To accrue bad debt provision for notes receivable under the expected general model of credit loss, please refer to the disclosure of other receivables to disclose relevant information on bad debt provision:

Applicable Not applicable

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

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

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

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

Notes transferred to accounts receivable by the Company at the end of the period due to failure of the drawer to perform.

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

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

3. Accounts receivable

(1) Disclosure of account receivable by category

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision proportion (%)		Amount	Proportion	Amount	Provision proportion (%)	
Account receivable with bad debt provision by single item	1,508,250.71	2.08%	1,508,250.71	100.00%		1,508,250.71	3.10%	1,508,250.71	100.00%	
Including:										
External customer	1,508,250.71	2.08%	1,508,250.71	100.00%		1,508,250.71	3.10%	1,508,250.71	100.00%	
Account Receivable with bad debt provision by combination	70,910,703.98	97.92%	6,717,587.76	9.47%	64,193,116.22	47,158,692.98	96.90%	5,662,522.63	12.01%	41,496,170.35
Including:										
External customer	50,946,303.21	70.35%	6,717,587.76	13.19%	44,228,715.45	36,342,444.48	74.68%	5,662,522.63	15.58%	30,679,921.85
Related parties	19,964,400.77	27.57%			19,964,400.77	10,816,248.50	22.22%			10,816,248.50
Total	72,418,954.69	100.00%	8,225,838.47	11.36%	64,193,116.22	48,666,943.69	100.00%	7,170,773.34	14.73%	41,496,170.35

Bad debt provision by single item:

Unit: RMB

Name	Closing balance			
	Carrying amount	Bad debt provision	Provision proportion (%)	Reasons for provision
Ningxiahong Zhongning Wolfberry Products Co., Ltd.	516,135.60	516,135.60	100.00%	Expected to be unrecoverable
Nanxi Daliangxin Food Co., Ltd.	389,729.12	389,729.12	100.00%	Expected to be unrecoverable
Hunan Liuyanghe Liquor Industry Co., Ltd.	308,155.34	308,155.34	100.00%	Expected to be unrecoverable
Sichuan Debo Daily Commodity Co., Ltd.	294,230.65	294,230.65	100.00%	Expected to be unrecoverable
Total	1,508,250.71	1,508,250.71	--	--

Bad debt provision by combination:

Unit: RMB

Name	Closing balance		
	Carrying amount	Bad debt provision	Provision proportion (%)
Accounts receivable with bad debt provision by combination of external customer	50,946,303.21	6,717,587.76	13.19%
Accounts receivable with bad debt provision by combination of related parties	19,964,400.77		
Total	70,910,703.98	6,717,587.76	--

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (inclusive)	63,898,370.53
1 to 2 years	1,716.00
2 to 3 years	688,873.50
More than 3 years	7,829,994.66
3 to 4 years	707,449.35
4 to 5 years	594,959.25
More than 5 years	6,527,586.06
Total	72,418,954.69

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

Bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Account receivable with bad debt provision by single item	1,508,250.71					1,508,250.71
Accounts receivable with bad debt provision by combination of external customer	5,662,522.63	1,055,065.13				6,717,587.76
Total	7,170,773.34	1,055,065.13				8,225,838.47

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

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

(4) Accounts receivable with top 5 closing balances by debtor

Unit: RMB

Unit name	Closing balance of	Proportion in total closing balance of	Closing balance of bad
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	accounts receivable	accounts receivable	debt provision
China Tobacco Sichuan Industrial Co., Ltd.	21,502,320.26	29.69%	1,075,116.01
Sichuan Putian Packaging Co., Ltd.	12,850,871.27	17.75%	
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	3,838,157.14	5.30%	
Chengdu Huayu Glass Manufacturing Co., Ltd.	2,735,249.77	3.78%	
Yibin Haisite Fiber Co., Ltd.	2,588,160.78	3.57%	129,408.04
Total	43,514,759.22	60.09%	

(5) Amount of assets and liabilities formed due to the transfer of accounts receivable and continuous involvement

At the end of the period, the Company had no assets or liabilities formed due to the transfer of accounts receivable and continuous involvement.

(6) Accounts receivable derecognized due to the transfer of financial assets

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

4. Receivables financing

(1) Receivables financing presented by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	1,641,509,588.69	2,024,442,016.72
Total	1,641,509,588.69	2,024,442,016.72

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

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt Provisions		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Provision proportion (%)		Amount	Proportion	Amount	Provision proportion (%)	
Receivables financing with bad debt provision by single item										
Receivables financing with bad debt provision by combination	1,641,509,588.69	100.00%			1,641,509,588.69	2,024,442,016.72	100.00%			2,024,442,016.72
Including: Bank acceptance bill	1,641,509,588.69	100.00%			1,641,509,588.69	2,024,442,016.72	100.00%			2,024,442,016.72

Total	1,641,509,588.69	100.00%			1,641,509,588.69	2,024,442,016.72	100.00%			2,024,442,016.72
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(2) Receivables financing pledged by the Company at the end of the period

Unit: RMB

Item	Pledged amount at the end of the period
Bank acceptance bill	118,374,800.00
Total	118,374,800.00

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

(3) 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 bill	4,611,755,615.98	
Total	4,611,755,615.98	

(4) Receivables financing transferred the notes to accounts receivable by the Company at the end of the period due to failure of the drawer to perform.**(5) The Company had no receivables financing actually written off at the end of the period.****5. Prepayments****(1) Prepayments presented by aging**

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within one year	147,104,566.14	75.19%	159,490,040.03	64.50%
1 to 2 years	8,669,096.35	4.43%	5,065,482.28	2.05%
2 to 3 years	2,832,862.76	1.45%	1,903,024.39	0.77%
More than three years	37,046,449.17	18.93%	80,800,533.72	32.68%
Total	195,652,974.42	--	247,259,080.42	--

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

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

(2) Prepayments of top 5 closing balances by prepayment object

Unit: RMB

Unit name	Closing balance	Proportion in closing balance of prepayments
China National Petroleum Corporation, Southwest Chemical Sales Branch	36,274,416.03	18.54%
Yibin Guoding Gas Co., Ltd.	28,160,000.00	14.39%
Sichuan Yibin Push Group Co., Ltd.	24,826,236.07	12.69%
Sinopec Chemical Commercial Holding Company Limited, Central China Branch	11,347,949.14	5.80%
Ningbo Haiyiyuan Trade Co., Ltd.	9,909,981.60	5.07%
Total	110,518,582.84	56.49%

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	26,288,496.24	36,199,607.12
Total	26,288,496.24	36,199,607.12

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

Unit: RMB

Nature of receivable	Closing carrying amount	Opening carrying amount
Cash float	4,850,891.36	4,126,194.86
Current account	3,783,822.76	9,851,782.12
Deposit	18,850,679.72	17,389,932.95
Other advance money for others or temporary payment	5,464,059.31	10,563,309.32
Total	32,949,453.15	41,931,219.25

2) Provision for bad debt

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expectation over the coming 12 months Credit loss	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on 1 January 2021	5,727,742.28		3,869.85	5,731,612.13
Balance on 1 January 2021 in the current period	—	—	—	—
- Transferred to Stage 2				
- Transferred to Stage 3	-617,114.83		617,114.83	
- Transferred back to Stage 2				
- Transferred back to Stage 1				
Provisions in the current period	1,546,459.61			1,546,459.61
Amount transferred back for the current period				
Amount charged off for the current period				
Amount written-off for the current period			617,114.83	617,114.83
Other changes				
Balance on 31 December 2021	6,657,087.06		3,869.85	6,660,956.91

Large carrying amount change in the current period of provision for loss

 Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within one year (inclusive)	9,816,868.06
1 to 2 years	8,074,168.96
2 to 3 years	4,909,988.06
More than three years	10,148,428.07
3 to 4 years	6,450,493.49
4 to 5 years	501,781.87
More than five years	3,196,152.71
Total	32,949,453.15

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

Bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Other receivables with bad debt provision by single item	3,869.85					3,869.85
Other receivables with bad debt provision by credit risk combination	5,727,742.28	1,546,459.61		617,114.83		6,657,087.06
Total	5,731,612.13	1,546,459.61		617,114.83		6,660,956.91

4) Other receivables actually written off in the current period

Unit: RMB

Item	Written-off Amount
Sugar and Wine Procurement and Supply Station of Yibin City	617,114.83
Total	617,114.83

5) Other receivables of top 5 closing balances by debtor

Unit: RMB

Unit name	Nature of receivables	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of bad debt provision
Yibin Cuiping District Housing and Urban-Rural Development Bureau	Deposit	5,000,000.00	3-4 years	15.17%	1,500,000.00
Yibin Zhongqi Natural Gas Co., Ltd.	Deposit	4,000,000.00	1-2 years	12.14%	400,000.00
Chongqing Xibolesi Building Engineering Co., Ltd.	Advance money for others	1,671,340.32	More than five years	5.07%	1,337,072.26
China National Petroleum Corporation, Sichuan Yi Saibin Sales Branch	Temporary payment	1,388,663.25	Within one year; 1-2 years	4.21%	98,040.87
Sinopec Marketing Co., Ltd., Sichuan Luzhou Branch	Temporary payment	1,013,299.80	Within one year; 1-2 years	3.08%	63,460.13
Total	--	13,073,303.37	--	39.68%	3,398,573.26

7. Inventory**(1) Classification of inventory**

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Allowance for market diminution in value of inventory or depreciation reserves of contract performance costs	Carrying value	Carrying amount	Allowance for market diminution in value of inventory or depreciation reserves of contract performance costs	Carrying value
Raw materials	775,478,393.21	6,475,077.13	769,003,316.08	1,006,752,368.41	5,500,972.51	1,001,251,395.90
Goods in process	1,140,224,322.36		1,140,224,322.36	964,076,320.20		964,076,320.20
Inventory of goods	1,609,230,590.03	31,291,117.30	1,577,939,472.73	1,715,227,321.75	28,068,948.50	1,687,158,373.25
Turnover	2,481,991.95	436,409.41	2,045,582.54	4,509,057.31	436,409.41	4,072,647.90

materials						
Goods issued	191,350,703.16	1,956,236.12	189,394,467.04	217,544,735.96	2,339,349.95	215,205,386.01
Goods in transit	31,656,238.05		31,656,238.05	2,121,297.94		2,121,297.94
Semi-finished products	10,218,594,324.45	150,386.01	10,218,443,938.44	9,290,022,881.61	151,805.88	9,289,871,075.73
Packing materials	16,029,954.45	15,916,796.10	113,158.35	35,637,606.57	15,916,796.10	19,720,810.47
Manufacturing consignment materials	86,246,622.66		86,246,622.66	44,796,324.05		44,796,324.05
Total	14,071,293,140.32	56,226,022.07	14,015,067,118.25	13,280,687,913.80	52,414,282.35	13,228,273,631.45

(2) Classification of merchandise on hand

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Falling price reserves	Carrying value	Carrying amount	Falling price reserves	Carrying value
Liquors	1,045,634,821.36		1,045,634,821.36	1,107,242,109.83		1,107,242,109.83
Plastic products	383,408,719.29	2,133,613.56	381,275,105.73	407,641,508.37	2,376,198.91	405,265,309.46
Printing	52,359,687.34	13,613,249.08	38,746,438.26	87,914,622.34	13,613,249.08	74,301,373.26
Glass bottle	71,528,868.04	10,402,859.31	61,126,008.73	95,200,289.49	6,459,504.39	88,740,785.10
Others	56,298,494.00	5,141,395.35	51,157,098.65	17,228,791.72	5,619,996.12	11,608,795.60
Total	1,609,230,590.03	31,291,117.30	1,577,939,472.73	1,715,227,321.75	28,068,948.50	1,687,158,373.25

(3) Allowance for market diminution in value of inventory or depreciation reserves of contract performance costs

Unit: RMB

Item	Opening balance	Increased amount for the current period		Decreased amount for the current period		Closing balance
		Provision	Others	Reversed or written-off	Others	
Raw materials	5,500,972.51	985,537.59		11,432.97		6,475,077.13
Inventory of goods	28,068,948.50	6,545,950.11		3,323,781.31		31,291,117.30
Turnover materials	436,409.41					436,409.41
Packing materials	15,916,796.10					15,916,796.10
Goods issued	2,339,349.95			383,113.83		1,956,236.12
Semi-finished products	151,805.88			1,419.87		150,386.01
Total	52,414,282.35	7,531,487.70		3,719,747.98		56,226,022.07

(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

Invested company	Opening balance (carrying value)	Increase/decrease in the current period								Closing balance (carrying value)	Closing balance of depreciation reserve
		Additional investment	Reduced investment	Profit and loss on investments recognized	Adjustment of other comprehensive income	Changes in other equities	Declaration of cash dividends or profits	Accrual of depreciation reserves	Others		

				with equity method						
I. Joint Ventures										
II. Associates										
Oriental Outlook Media Co., Ltd.	21,121,415.30			4,444,523.01						25,565,938.31
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	1,817,394,942.42			89,958,470.13			41,720,016.00			1,865,633,396.55
Beijing Zhongjiuhucui Education and Technology Co., Ltd.		5,625,000.00		-116,870.39						5,508,129.61
Yibin Jiamei Intelligent Packaging Co., Ltd.	11,460,745.58			3,060,443.58						14,521,189.16
Sub-total	1,849,977,103.30	5,625,000.00		97,346,566.33			41,720,016.00			1,911,228,653.63
Total	1,849,977,103.30	5,625,000.00		97,346,566.33			41,720,016.00			1,911,228,653.63

Other notes:

(1) The Company invested in Oriental Outlook Media Co., Ltd., an associate of the Company, for implementing the strategy of entering the media industry. The Company contributed 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, Yibin Wuliangye Group Company and six of its subsidiaries, and ABC International Holdings Limited jointly invested and established Sichuan Yibin Wuliangye Group Finance Co., Ltd. (hereinafter referred to as the "Finance Company"). Its registered capital is 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 Zhongjiuhucui 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 Zhongjiuhucui 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	5,607,863,056.26	5,866,732,589.90
Disposal of fixed assets	2,283,944.11	148,270.13
Total	5,610,147,000.37	5,866,880,860.03

(1) Information on fixed assets

Unit: RMB

Item	Tenements and buildings	Specialised equipment	General equipment	Transport equipment	Other equipment	Total
I. Original Carrying Value:						
1. Opening balance	8,880,697,811.52	3,061,320,499.23	2,224,647,054.94	155,974,171.17	644,402,206.34	14,967,041,743.20
2. Increased amount for the current period	38,397,830.64	69,593,618.16	97,511,021.61	11,739,942.74	49,384,805.52	266,627,218.67
(1) Acquisition	30,219,321.46	44,903,017.28	82,851,614.45	11,739,942.74	35,825,225.07	205,539,121.00
(2) Transferred from construction in progress	8,178,509.18	24,690,600.88	14,659,407.16		13,559,580.45	61,088,097.67
(3) Increase from business combination						
3. Decreased amount for the current period	121,921,255.99	37,093,695.31	154,368,791.26	3,741,898.74	11,919,316.62	329,044,957.92
(1) Disposed or scrapped	121,921,255.99	37,093,695.31	154,368,791.26	2,772,824.49	11,919,316.62	328,075,883.67
(2) Donation				969,074.25		969,074.25
(3) Others						
4. Closing balance	8,797,174,386.17	3,093,820,422.08	2,167,789,285.29	163,972,215.17	681,867,695.24	14,904,624,003.95
II. Accumulated Depreciation						
1. Opening balance	3,896,058,562.12	2,783,207,383.15	1,767,311,706.23	94,055,040.46	550,773,923.65	9,091,406,615.61
2. Increased amount for the current period	270,559,730.89	60,976,972.99	58,208,585.01	13,376,043.75	23,944,148.81	427,065,481.45
(1) Provisions	270,559,730.89	60,976,972.99	58,208,585.01	13,376,043.75	23,944,148.81	427,065,481.45
3. Decreased amount for the current period	33,103,442.41	35,079,192.29	148,187,531.17	2,333,048.96	11,461,762.70	230,164,977.53

(1) Disposed or scrapped	33,103,442.41	35,079,192.29	148,187,531.17	1,412,428.42	11,461,762.70	229,244,356.99
(2) Donation				920,620.54		920,620.54
(3) Others						
4. Closing balance	4,133,514,850.60	2,809,105,163.85	1,677,332,760.07	105,098,035.25	563,256,309.76	9,288,307,119.53
III. Depreciation Reserves						
1. Opening balance	1,544,029.33	5,782,681.58	656,514.70		919,312.08	8,902,537.69
2. Increased amount for the current period						
(1) Provisions						
3. Decreased amount for the current period					448,709.53	448,709.53
(1) Disposed or scrapped					448,709.53	448,709.53
4. Closing balance	1,544,029.33	5,782,681.58	656,514.70		470,602.55	8,453,828.16
IV. Carrying Value						
1. Closing carrying value	4,662,115,506.24	278,932,576.65	489,800,010.52	58,874,179.92	118,140,782.93	5,607,863,056.26
2. Opening carrying value	4,983,095,220.07	272,330,434.50	456,678,834.01	61,919,130.71	92,708,970.61	5,866,732,589.90

(2) Fixed assets that are temporarily idle

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

(3) Fixed assets leased out by operating lease

Unit: RMB

Item	Closing carrying value
Tenements	112,367,470.11
Warehouse	25,637,174.87
Equipment	9,532,305.38
Total	147,536,950.36

(4) Fixed assets without certificate of title

Unit: RMB

Item	Carrying value	Reason for not obtaining certificate of title
Tenements	822,213,835.87	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.
Tenements	3,750,813.38	In progress
Total	825,964,649.25	

Other notes:

According to the Interim Regulation on Real Estate Registration of Sichuan Province 2016, the property ownership certificate and the land use certificate are integrated into the real estate ownership certificate. The Company is sorting out relevant assets and handling with the certificate of title of relevant assets.

(5) Disposal of fixed assets

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Equipment	2,283,944.11	148,270.13
Total	2,283,944.11	148,270.13

11. Construction in progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	2,643,541,772.83	1,480,337,105.88
Project goods and materials	2,546,073.18	1,761,078.76
Total	2,646,087,846.01	1,482,098,184.64

(1) Construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
The liquor packaging and integrated smart storage-and-delivery project	653,863,297.65		653,863,297.65	162,362,443.37		162,362,443.37
Technological Innovation Project for Storing Blended Liquor	561,927,859.73		561,927,859.73	178,703,412.28		178,703,412.28
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	551,044,953.58		551,044,953.58	528,404,511.04		528,404,511.04
Hongba New Park Supporting Facilities Construction Project	170,985,026.40		170,985,026.40	86,449,743.23		86,449,743.23
Brewing Special Grain Process Bin & Milling Automation Renovation Project	110,513,220.77		110,513,220.77	20,257,399.24		20,257,399.24
Pipe Network Reconstruction Project of Jiangbei Park	37,438,811.11		37,438,811.11	38,083,788.58		38,083,788.58
Phase II of 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical innovation Project (Phase VI)	32,843,685.42		32,843,685.42	28,264,685.42		28,264,685.42
Factory Buildings and Other Buildings Renovation Project of the Company (Phase II)	34,238,205.03		34,238,205.03	30,408,205.03		30,408,205.03
Anlequan Scenic Area Upgrade Emergency Project	29,657,494.28		29,657,494.28	18,618,699.97		18,618,699.97
503 Workshop Appearance Upgrade	20,968,792.45		20,968,792.45	20,102,188.68		20,102,188.68
Pilot Project for the	18,606,364.43		18,606,364.43			

Expansion of the Research and Application of Traditional Solid Baijiu Production Responding to the Restriction of High temperature in Hot Season						
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase III)	14,992,917.35		14,992,917.35	13,191,272.30		13,191,272.30
Emergent Maintenance and Rectification of Ageing Group 521-2 (Sixty-Thousand-Tons) Wine Cellar and Adjacent Accommodation	13,790,000.00		13,790,000.00			
Wuliangye distillery Main Water Pipe Renovation Project	12,551,990.72		12,551,990.72	10,551,990.72		10,551,990.72
506 Workshop Blending Center Upgrading and Renovation Project	10,376,158.46		10,376,158.46			
523 Workshop 1-80 Span Tool Room Upgrade (Emergency)				16,691,460.19		16,691,460.19
Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates				10,698,865.18		10,698,865.18
Other sporadic works	372,143,001.00	2,400,005.55	369,742,995.45	319,948,446.20	2,400,005.55	317,548,440.65
Total	2,645,941,778.38	2,400,005.55	2,643,541,772.83	1,482,737,111.43	2,400,005.55	1,480,337,105.88

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

Unit: RMB

Project name	Budget	Opening balance	Increased amount for the current period	Amount transferred to fixed assets in the current period	Other decreased amount in the current period	Closing balance	Proportion of project input to the budget (%)	Engineering progress	Accumulated amount of interest capitalized	Including: Capitalized amount of interest in the current period	Capitalization rate of interest in the current period	Source of funds
The liquor packaging and integrated smart storage-and-delivery project	8,596,655,000.00	162,362,443.37	491,500,854.28			653,863,297.65	7.61%	19.00% (Note)				Owned and raised funds
Technological Innovation Project for Storing Blended Liquor	1,726,166,000.00	178,703,412.28	383,224,447.45			561,927,859.73	32.55%	75.00%				Owned and raised funds and subsidies
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	857,070,000.00	528,404,511.04	22,640,442.54			551,044,953.58	64.31%	99.00%				Owned funds and subsidies
Hongba New Park Supporting Facilities Construction Project	655,122,000.00	86,449,743.23	84,535,283.17			170,985,026.40	26.51%	50.00%				Owned funds
Brewing Special Grain Process Bin & Milling Automation Renovation Project	414,160,100.00	20,257,399.24	90,795,821.53		540,000.00	110,513,220.77	26.81%	80.00%				Owned funds
Pipe Network Reconstruction Project of Jiangbei Park	109,396,900.00	38,083,788.58	316,415.09	908,432.79	52,959.77	37,438,811.11	35.10%	99.80%				Owned funds
Phase II of 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical innovation Project (Phase VI)	50,552,120.00	28,264,685.42	4,579,000.00			32,843,685.42	64.97%	99.00%				Owned funds
Factory Buildings and Other Buildings Renovation Project of the Company (Phase II)	201,841,000.00	30,408,205.03	5,004,841.36		1,174,841.36	34,238,205.03	28.96%	30.00%				Owned funds
Anlequan Scenic Area Upgrade Emergency Project	46,744,700.00	18,618,699.97	11,588,794.31		550,000.00	29,657,494.28	64.62%	99.00%				Owned funds
503 Workshop Appearance Upgrade	69,690,500.00	20,102,188.68	866,603.77			20,968,792.45	30.09%	99.00%				Owned funds
Pilot Project for the Expansion of	47,044,400.00		18,606,364.43			18,606,364.43	39.55%	90.00%				Owned

the Research and Application of Traditional Solid Baijiu Production Responding to the Restriction of High temperature in Hot Season												funds
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase III)	37,490,000.00	13,191,272.30	1,801,645.05			14,992,917.35	40.36%	98.00%				Owned funds
Emergent Maintenance and Rectification of Ageing Group 521-2(Sixty-Thousand-Ton) Wine Cellar and Adjacent Accommodation	24,575,200.00		13,790,000.00			13,790,000.00	56.11%	99.00%				Owned funds
Wuliangye distillery Main Water Pipe Renovation Project	21,499,200.00	10,551,990.72	2,000,000.00			12,551,990.72	58.38%	95.00%				Owned funds
506 Workshop Blending Center Upgrading and Renovation Project	29,884,165.00		10,376,158.46			10,376,158.46	34.72%	82.00%				Owned funds
523 Workshop 1-80 Span Tool Room Upgrade (Emergency)	28,774,300.00	16,691,460.19		16,691,460.19			58.01%	100.00%				Owned funds
Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates	17,600,000.00	10,698,865.18	681,552.82	9,360,425.61	2,019,992.39		64.66%	100.00%				Owned funds
Total	12,934,265,585.00	1,162,788,665.23	1,142,308,224.26	26,960,318.59	4,337,793.52	2,273,798,777.38	--	--				--

Notes: 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 65.00%, 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 19.00%.

(3) Project goods and materials

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Project goods and materials	2,546,073.18		2,546,073.18	1,761,078.76		1,761,078.76
Total	2,546,073.18		2,546,073.18	1,761,078.76		1,761,078.76

12. Right-of-use assets

Unit: RMB

Item	Tenements and buildings	Specialised equipment	Transport equipment	Other equipment	Land use right	Total
I. Original Carrying Value:						
1. Opening balance	136,319,851.16		783,273.42	9,604,798.89		146,707,923.47
2. Increased amount for the current period	101,463,106.64	366,174.21			843,537,258.68	945,366,539.53
(1) Operating leases	101,463,106.64	366,174.21			843,537,258.68	945,366,539.53
3. Decreased amount for the current period						
4. Closing balance	237,782,957.80	366,174.21	783,273.42	9,604,798.89	843,537,258.68	1,092,074,463.00
II. Accumulated Depreciation						
1. Opening balance						
2. Increased amount for the current period	108,633,309.38	81,372.04	656,756.01	3,717,986.64	281,179,086.24	394,268,510.31
(1) Provisions	108,633,309.38	81,372.04	656,756.01	3,717,986.64	281,179,086.24	394,268,510.31
3. Decreased amount for the current period						
(1) Disposal						
4. Closing balance	108,633,309.38	81,372.04	656,756.01	3,717,986.64	281,179,086.24	394,268,510.31
III. Depreciation Reserves						
1. Opening balance						
2. Increased amount for the current period						
(1) Provisions						
3. Decreased amount for the current period						
(1) Disposal						
4. Closing balance						
IV. Carrying Value						
1. Closing carrying value	129,149,648.42	284,802.17	126,517.41	5,886,812.25	562,358,172.44	697,805,952.69
2. Opening carrying value	136,319,851.16		783,273.42	9,604,798.89		146,707,923.47

13. Intangible assets**(1) Intangible assets**

Unit: RMB

Item	Land use right	Patents	Non-patent technology	Software system	Technology use right	Copyright	Total
I. Original Carrying Value							
1. Opening balance	476,822,915.18			118,491,146.69	10,391,942.73	8,066,037.47	613,772,042.07
2. Increased amount for the current period	814,316.92			159,713,064.08			160,527,381.00
(1) Acquisition	814,316.92			159,713,064.08			160,527,381.00
(2) Internal research and development							
(3) Increase from business combination							
3. Decreased amount for the current period							
(1) Disposal							
4. Closing balance	477,637,232.10			278,204,210.77	10,391,942.73	8,066,037.47	774,299,423.07
II. Accumulated Amortization							
1. Opening balance	118,738,571.80			49,747,231.31	10,330,008.81	1,344,339.60	180,160,151.52
2. Increased amount for the current period	9,708,953.96			26,411,286.36	7,358.52	1,613,207.52	37,740,806.36
(1) Provisions	9,708,953.96			26,411,286.36	7,358.52	1,613,207.52	37,740,806.36
3. Decreased amount for the current period							
(1) Disposal							
4. Closing balance	128,447,525.76			76,158,517.67	10,337,367.33	2,957,547.12	217,900,957.88
III. Depreciation Reserves							
1. Opening balance							
2. Increased amount for the current period							
(1) Provisions							
3. Decreased amount for the current period							
(1) Disposal							
4. Closing balance							
IV. Carrying Value							
1. Closing carrying value	349,189,706.34			202,045,693.10	54,575.40	5,108,490.35	556,398,465.19
2. Opening carrying value	358,084,343.38			68,743,915.38	61,933.92	6,721,697.87	433,611,890.55

At the end of the current period, the intangible assets created by internal research and development of the

Company accounts for 0.00% of the balance of intangible assets.

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

None

14. Goodwill

(1) Original carrying value of goodwill

Unit: RMB

Name of invested company or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Through business combination		Disposal		
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	37,535.96					37,535.96
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	18,005.18					18,005.18
Sichuan Yibin Plastic Packaging Materials Company Limited	666,461.77					666,461.77
Sichuan Yibin Push Group 3D Co., Ltd.	899,616.62					899,616.62
Total	1,621,619.53					1,621,619.53

15. Long-term prepaid expense

Unit: RMB

Item	Opening balance	Increased amount for the current period	Amount amortized to the current period	Other decreased amount	Closing balance
Mold	98,651,005.79	75,856,221.06	48,686,763.14		125,820,463.71
Overhaul expenses of kilns	17,106,052.30	14,101,989.53	6,397,683.02		24,810,358.81
Others	7,124,014.57	603,754.54	2,846,245.81		4,881,523.30
Total	122,881,072.66	90,561,965.13	57,930,691.97		155,512,345.82

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
Provision for impairment of assets	67,911,132.12	16,977,783.03	69,531,164.48	17,382,791.12
Unrealized profit of internal transaction	896,183,664.84	224,045,916.21	687,396,568.96	171,849,142.24
Employee benefits payable	3,154,737,566.48	788,684,391.62	3,471,678,797.08	867,919,699.27
Others	2,616,999,030.72	654,249,757.68	1,715,679,789.28	428,919,947.32
Total	6,735,831,394.16	1,683,957,848.54	5,944,286,319.80	1,486,071,579.95

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

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	14,562,119.04	7,594,646.58
Deductible losses	185,492,641.43	218,357,092.41
Total	200,054,760.47	225,951,738.99

Notes: Due to the uncertainty of whether sufficient taxable income will be obtained in the future, deductible temporary differences and deductible losses of deferred income tax assets are not recognized.

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

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2021		11,226,757.85	
2022	32,142,312.41	49,285,485.22	
2023	81,397,256.28	85,123,732.43	
2024	45,130,913.39	45,224,304.55	
2025	26,822,159.35	27,496,812.36	
2026			
Total	185,492,641.43	218,357,092.41	--

17. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Advances of progress payment for information system construction	219,127,135.72		219,127,135.72	293,128,020.09		293,128,020.09
Total	219,127,135.72		219,127,135.72	293,128,020.09		293,128,020.09

18. Notes payable

Unit: RMB

Type	Closing balance	Opening balance
Bank acceptance	871,061,362.43	759,552,349.44
Letter of credit	978,877.44	4,076,542.40
Total	872,040,239.87	763,628,891.84

Total amount of notes payable which became matured but unpaid at the end of the current period is RMB0.00.

19. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable	5,403,561,392.95	3,382,875,146.71
Total	5,403,561,392.95	3,382,875,146.71

(2) Significant accounts payable over 1 year

Unit: RMB

Item	Closing balance	Reason for outstanding or carried forward
Project payment	18,198,628.68	
Goods payment	9,307,397.79	
Total	27,506,026.47	--

20. Advances from customers

(1) Presentation of advances from customers

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	10,970,385.19	23,949,793.92

Total	10,970,385.19	23,949,793.92
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(2) Significant advances from customers over 1 year

There were no significant advances from customers over 1 year during the Reporting Period.

(3) Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within one year	6,481,320.02
1 to 2 years	501,697.77
2 to 3 years	3,798,601.72
More than three years	188,765.68
Total	10,970,385.19

(4) Advances from customers of top 5 closing balances

Unit: RMB

Unit name	Closing balance	Proportion in closing balance of advances from customers
Henan Huaibin Wulong Wine Industry Co., Ltd.	1,144,539.50	10.43%
Gubeichun Group Co., Ltd.	462,977.00	4.22%
ICBC Yibin Branch	299,520.00	2.73%
Chengdu Jinqiao Wine Co., Ltd.	260,000.00	2.37%
Hubei Shoukang Yongle Trading Group Co., Ltd.	200,001.86	1.82%
Total	2,367,038.36	21.58%

21. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers	13,058,652,246.11	8,618,543,467.25
Total	13,058,652,246.11	8,618,543,467.25

22. 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	3,627,975,647.46	6,092,427,888.32	6,384,480,607.34	3,335,922,928.44
II. Post-Employment Benefits - Defined Contribution Plans	1,549,341.06	904,546,152.21	906,081,280.41	14,212.86
III. Dismissal Benefits		889,070.71	889,070.71	
Total	3,629,524,988.52	6,997,863,111.24	7,291,450,958.46	3,335,937,141.30

(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	3,577,913,333.51	5,080,788,959.25	5,381,126,002.08	3,277,576,290.68
2. Employee benefits		118,278,209.09	118,278,209.09	
3. Social insurance charges	154,678.65	330,913,705.07	330,913,705.07	154,678.65
Including: Medical insurance premium	154,486.34	245,683,049.74	245,683,049.74	154,486.34
Industrial injury insurance premium	107.45	71,270,160.27	71,270,160.27	107.45

Birth insurance premium	84.86	13,960,495.06	13,960,495.06	84.86
4. Housing provident fund	28,412,333.00	448,233,484.20	444,178,038.20	32,467,779.00
5. Labor union expenditure and personnel educational fund	21,495,302.30	114,213,530.71	109,984,652.90	25,724,180.11
Total	3,627,975,647.46	6,092,427,888.32	6,384,480,607.34	3,335,922,928.44

(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	1,549,341.06	677,084,056.26	678,619,184.46	14,212.86
2. Unemployment insurance premium		35,824,569.37	35,824,569.37	
3. Corporate pension contribution		191,637,526.58	191,637,526.58	
Total	1,549,341.06	904,546,152.21	906,081,280.41	14,212.86

23. Taxes and levies payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	728,372,175.12	1,112,034,953.43
Consumption tax	1,334,494,888.87	1,606,202,793.99
Corporate income tax	2,815,738,734.80	2,516,790,391.94
Individual income tax	82,919,949.14	37,055,886.19
Urban maintenance and construction tax	187,159,402.54	248,199,304.35
Property tax	689,739.04	725,078.38
Stamp duty	1,929,855.79	831,884.22
Land use tax	1,064,621.99	1,075,376.54
Education surcharge	23,896,418.74	11,579,730.23
Local education surcharge	15,899,070.65	7,673,369.90
Environmental protection tax	18,848.22	31,561.50
Total	5,192,183,704.90	5,542,200,330.67

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

24. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Dividend payable	37,436,404.82	37,918,093.23
Other payables	3,656,421,703.39	2,762,845,488.90
Total	3,693,858,108.21	2,800,763,582.13

(1) Dividend payable

Unit: RMB

Item	Closing balance	Opening balance
Dividends payable by subsidiaries to minority shareholders	37,436,404.82	37,918,093.23
Total	37,436,404.82	37,918,093.23

(2) Other payables**1) Presentation of other payables by nature**

Unit: RMB

Item	Closing balance	Opening balance
Image publicity expense and sales promotional expense	2,275,896,048.89	1,722,127,207.54
Deposit	952,693,928.59	816,163,308.72
Collecting payment on behalf of others	57,463,693.60	54,932,275.78
Claims from safeguarding rights	27,200,519.63	43,349,435.78
Others	343,167,512.68	126,273,261.08
Total	3,656,421,703.39	2,762,845,488.90

2) Significant other payables over one year

Unit: RMB

Item	Closing balance	Reason for outstanding or carried forward
Deposit	134,891,030.17	
Total	134,891,030.17	--

25. Current portion of non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Current portion of lease liabilities	360,027,399.06	72,747,645.81
Total	360,027,399.06	72,747,645.81

26. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Taxes to be charged off	1,688,367,639.42	1,117,452,799.61
Total	1,688,367,639.42	1,117,452,799.61

27. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities	355,338,950.93	73,960,277.66
Total	355,338,950.93	73,960,277.66

28. Deferred income

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause
Government subsidy	255,953,368.36	12,000,000.00	9,962,000.04	257,991,368.32	
Total	255,953,368.36	12,000,000.00	9,962,000.04	257,991,368.32	--

Projects involving government subsidies:

Unit: RMB

Liabilities	Opening balance	Amount of newly subsidy in the current period	Amount recognized as non-operating revenue in the current period	Amount recognized as other incomes in the current period	Amount offset against costs and expenses in the current period	Other changes	Closing balance	Asset-related/income-related
90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)	174,529,333.66			6,712,666.56			167,816,667.10	Related to assets
Brewery Wastewater	14,700,000.00			750,000.00			13,950,000.00	Related to assets

Comprehensive Treatment Project								
Wastewater Comprehensive Treatment and Transformation Project	13,466,666.59			333,333.36			13,133,333.23	Related to assets
Wuliangye Industrial Park Construction Project	10,000,000.00						10,000,000.00	Related to assets
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	10,000,000.00						10,000,000.00	Related to assets
Technological Innovation Project for Storing Blended Liquor		10,000,000.00					10,000,000.00	Related to assets
Songgong River (Wuliangye Section) Comprehensive Treatment Project	10,193,499.92			357,666.72			9,835,833.20	Related to assets
Technical Upgrading Project of the Quality Control, Quality Inspection and Testing Center	8,926,666.71			343,333.32			8,583,333.39	Related to assets
Wastewater Treatment System Upgrading and Renovation Project	8,319,999.88			320,000.04			7,999,999.84	Related to assets
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)	1,613,035.26			219,999.96			1,393,035.30	Related to assets
Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Baijiu Pottery Jar Aging Room	1,769,999.72			590,000.04			1,179,999.68	Related to assets

Informatization and big data application	604,166.62			125,000.04			479,166.58	Related to assets
Shiergoubao Production Line Technical Upgrading Project	240,000.00			120,000.00			120,000.00	Related to assets
Award from the 4A Scenic Spot of Tourist Administration of Cuiping District		2,000,000.00					2,000,000.00	Related to revenue
Industrial development funds	1,000,000.00						1,000,000.00	Related to revenue
Subsidy for national green plant of 2018	500,000.00						500,000.00	Related to revenue
Provincial special funds for intellectual property	90,000.00			90,000.00				Related to revenue
Total	255,953,368.36	12,000,000.00		9,962,000.04			257,991,368.32	

29. Share capital

Unit: RMB

	Opening balance	Increase/Decrease (+,-)					Closing balance
		Issuance of new shares	Bonus share	Capitalization of public reserve fund	Others	Sub-total	
Sum of shares	3,881,608,005.00						3,881,608,005.00

30. 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 reserve	123,383.17			123,383.17
Total	2,682,647,086.15			2,682,647,086.15

31. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	19,698,525,995.51	4,167,577,400.21		23,866,103,395.72
Total	19,698,525,995.51	4,167,577,400.21		23,866,103,395.72

32. Retained earnings

Unit: RMB

Item	2021	2020
Retained earnings at the end of previous period before adjustment	59,443,191,559.08	51,634,248,548.06

Retained earnings at the beginning of the period after adjustment	59,443,191,559.08	51,634,248,548.06
Plus: Net profits attributable to the owners of the Company as the parent in the current period	23,377,074,353.40	19,954,809,594.52
Less: Appropriation of statutory surplus reserves	4,167,577,400.21	3,606,328,972.50
Common share dividends payable	10,014,548,652.90	8,539,537,611.00
Retained earnings at the end of the period	68,638,139,859.37	59,443,191,559.08

Details of retained earnings at the beginning of the adjustment period:

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

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

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

33. Operating revenue and cost of sales

Unit: RMB

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Principal operations	65,753,001,416.07	15,948,182,928.09	56,786,051,615.16	14,362,156,374.57
Other operations	456,052,196.04	370,595,660.73	535,007,837.99	449,805,104.08
Total	66,209,053,612.11	16,318,778,588.82	57,321,059,453.15	14,811,961,478.65

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

Yes No

Information related to revenue from liquor products in the principal business revenue:

Unit: RMB

Contracts classification	East China	South China	West China	North China	Central China	Total
Product type						
Wuliangye-branded Baijiu products	15,675,398,574.12	6,829,074,810.49	11,166,973,941.34	6,913,906,232.67	8,526,659,614.76	49,112,013,173.38
Other Baijiu series	3,106,778,866.20	601,060,530.90	5,812,269,921.54	621,508,392.55	2,478,209,108.39	12,619,826,819.58
Classification by sales channel						
On-line	892,697,057.94	205,085,474.51	1,057,283,429.62	1,718,857,633.89	224,031,196.87	4,097,954,792.83
Off-line	17,889,480,382.38	7,225,049,866.88	15,921,960,433.26	5,816,556,991.33	10,780,837,526.28	57,633,885,200.13
Classification by sales model						
Distributor model	15,693,856,413.63	6,071,601,286.63	14,630,914,621.86	4,724,993,654.55	9,015,339,798.18	50,136,705,774.85
Direct-to-consumer model	3,088,321,026.69	1,358,534,054.76	2,348,329,241.02	2,810,420,970.67	1,989,528,924.97	11,595,134,218.11
Total	18,782,177,440.32	7,430,135,341.39	16,979,243,862.88	7,535,414,625.22	11,004,868,723.15	61,731,839,992.96

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 RMB13,058,652,246.11.

34. Tax and surcharges

Unit: RMB

Item	2021	2020
Consumption tax	7,776,945,076.19	6,528,819,159.02
Urban maintenance and construction tax	1,010,969,161.44	852,468,951.35
Education surcharge	434,483,541.69	366,214,108.43
Tax on natural resources	45,946.20	137,241.30
Property tax	108,880,137.88	34,344,217.68
Land use tax	49,348,856.38	50,029,296.62
Vehicle and vessel usage tax	130,667.12	586,715.18
Stamp duty	118,209,627.99	14,999,803.23
Local education surcharge	289,651,168.33	243,586,461.76
Environmental protection tax	1,033,833.76	1,162,641.53
Total	9,789,698,016.98	8,092,348,596.10

35. Selling expenses

Unit: RMB

Item	2021	2020
Image publicity expense	1,218,266,158.62	1,148,203,672.92
Sales promotional expense	3,786,854,045.27	3,302,764,255.56
Storage and logistics expenses	411,654,403.24	260,214,712.62
Expenses of labor	611,192,688.42	470,739,623.11
Other expenses	475,538,836.35	396,996,259.77
Total	6,503,506,131.90	5,578,918,523.98

36. Administrative expenses

Unit: RMB

Item	2021	2020
Comprehensive expenses of the Company (including travel, office, expenses of the Board of Directors, employee remuneration, labor insurance, labor protection appliances, etc.)	1,153,058,803.19	966,318,139.08
Rents	31,590,929.73	361,949,846.81
Trademark and logo royalties	742,030,648.63	639,427,170.39
Comprehensive service fee	80,272,320.88	91,977,989.83
Others	893,016,164.94	549,856,539.98
Total	2,899,968,867.37	2,609,529,686.09

37. Research and development expense

Unit: RMB

Item	2021	2020
Comprehensive expenses (including travel, office, payroll, labor insurance, labor protection appliances, etc.)	112,283,087.89	73,819,430.63
Material expenses	17,595,341.62	18,616,952.02
Product design fees	14,671,117.06	12,189,610.30
Depreciation and amortization expenses	11,225,044.37	8,339,539.69
Others	21,637,136.71	18,349,692.69
Total	177,411,727.65	131,315,225.33

38. Finance costs

Unit: RMB

Item	2021	2020
Interest costs	69,130,792.55	

Less: Interest income	1,801,002,307.73	1,521,933,975.40
Exchange loss	585,270.50	128,944.28
Less: Exchange gains	256,035.88	89,237.71
Service charge of financial institutions	1,984,791.95	1,550,017.99
Others	-2,144,596.61	34,825,050.63
Total	-1,731,702,085.22	-1,485,519,200.21

39. Other income

Unit: RMB

Sources of other income	2021	2020
Government subsidy	191,205,242.35	105,648,782.20
Tax rebates	24,522,993.00	56,724,988.21
Total	215,728,235.35	162,373,770.41

Notes: Refer to the Note "VII. Notes to Consolidated Financial Statements, 51. Government subsidy" for details of government subsidies.

2. The tax rebates are the VAT rebates received by the Company, refer to the Note "VI. Taxes, 2. Tax preference" for details.

40. Return on investment

Unit: RMB

Item	2021	2020
Long-term equity return on investment accounted by equity method	97,346,566.33	93,504,494.16
Total	97,346,566.33	93,504,494.16

41. Credit impairment loss

Unit: RMB

Item	2021	2020
Bad debt loss of other receivables	-1,546,459.61	-1,480,304.84
Bad debt loss of accounts receivable	-1,055,065.13	2,504,725.68
Total	-2,601,524.74	1,024,420.84

42. Asset impairment loss

Unit: RMB

Item	2021	2020
Losses for inventory falling price and losses for impairment of contract performance costs	-7,531,487.70	-13,664,476.45
Fixed asset impairment losses		-448,709.53
Total	-7,531,487.70	-14,113,185.98

43. Asset disposal income

Unit: RMB

Source of asset disposal income	2021	2020
Disposal of non-current assets	-1,905,183.84	1,129,293.57
Total	-1,905,183.84	1,129,293.57

44. Non-operating income

Unit: RMB

Item	2021	2020	Amounts included in current exceptional profit or loss
Penalty income	11,413,330.49	9,485,442.44	11,413,330.49
Gains from scrap of non-current assets	1,713,863.61	151,265.50	1,713,863.61
Others	38,972,624.12	31,025,244.38	38,972,624.12
Total	52,099,818.22	40,661,952.32	52,099,818.22

45. Non-operating expense

Unit: RMB

Item	2021	2020	Amounts included in current exceptional profit or loss
Donations	99,159,845.28	160,898,370.13	99,159,845.28
Penalty expenditure	588,035.22	251,432.49	588,035.22
Loss on scrap of non-current assets	23,431,675.28	6,345,206.99	23,431,675.28
Abnormal loss	386,224.38	80,408.09	386,224.38
Others	30,558,562.37	21,063,253.13	30,558,562.37
Total	154,124,342.53	188,638,670.83	154,124,342.53

Other notes:

The external donations mainly consist of RMB38,793,500 to Sichuan Wuliangye Charity Fund, RMB20 million to Sichuan University Education Foundation Special Fund for High-end Talents, RMB30 million to Henan Charity General Federation, and RMB10 million to fight the flood and provide relief for Henan.

46. Income tax expense**(1) List of income tax expense**

Unit: RMB

Item	2021	2020
Current income tax expense	8,140,840,384.03	7,093,786,409.11
Deferred income tax expense	-197,886,268.59	-328,679,600.95
Total	7,942,954,115.44	6,765,106,808.16

(2) Accounting profit and income tax expense reconciliation process

Unit: RMB

Item	2021
Total profit	32,450,404,445.70
Income tax expense calculated with statutory/applicable tax rates	8,112,601,111.43
Impact of different tax rates applicable to subsidiaries	-77,341,644.30
Impact on adjustment of income tax in previous periods	-33,462,520.68
Impact of non-taxable revenue	-23,755,679.52
Impact of non-deductible costs, expenses and losses	4,511,147.68
Impact of deductible losses of deferred income tax assets which have not been recognized in the previous period	-6,459,120.60
Impact of deductible temporary differences or deductible losses of deferred income tax assets which have not been recognized in the current period	1,741,868.11
Impact of weighted deduction for salary of the disabled	-21,754,259.91
Impact of weighted deduction for research and development expenses	-13,577,901.33
Impact of one-time deduction of fixed assets	451,114.56
Income tax expenses	7,942,954,115.44

47. Items of cash flow statement**(1) Cash generated from other operating activities**

Unit: RMB

Item	2021	2020
Interest income	1,661,218,236.26	1,823,793,053.16
Deposits and government subsidies received	384,667,127.10	419,867,382.82
Total	2,045,885,363.36	2,243,660,435.98

(2) Cash used in other operating activities

Unit: RMB

Item	2021	2020
Expenses relating to selling	2,690,167,279.28	1,882,862,475.29
Comprehensive service fee	80,272,320.88	91,977,989.83
Trademark and logo royalties	742,030,648.63	639,427,170.39
Rents	31,590,929.73	361,949,846.81
Deposits paid, receivables and payables, and other out-of-pocket expenses	1,241,491,221.81	984,075,848.21
Total	4,785,552,400.33	3,960,293,330.53

(3) Cash used in other financing activities

Unit: RMB

Item	2021	2020
Payment for the lease liabilities	395,161,935.55	
Total	395,161,935.55	0.00

48. Supplementary information to cash flow statement**(1) Supplementary information to cash flow statement**

Unit: RMB

Supplementary information	2021	2020
1. Reconciliation from net profits to cash flows from operating activities:	--	--
Net profit	24,507,450,330.26	20,913,340,409.54
Plus: Provision for impairment of assets	5,796,149.63	5,926,341.01
Fixed assets depreciation, oil and gas assets depletion, and productive living assets depreciation	427,065,481.45	435,670,691.93
Depreciation of right-of-use assets	394,268,510.31	
Amortization of intangible assets	37,740,806.36	27,577,383.23
Amortization of long-term prepaid expense	57,930,691.97	48,208,049.76
Loss caused by disposal of fixed assets, intangible assets and other long-term assets (gains indicated with "-")	1,905,183.84	-1,129,293.57
Scrap loss of fixed assets (gains indicated with "-")	21,717,811.67	6,193,941.49
Loss from changes of fair value (income indicated with "-")		
Finance costs (gains indicated with "-")	69,600,321.23	130,439.21
Investment loss (gains indicated with "-")	-97,346,566.33	-93,504,494.16
Decrease in deferred income tax assets (increase indicated with "-")	-197,886,268.59	-328,679,600.95
Increase in deferred income tax liabilities (loss indicated with "-")		
Decrease in inventory (increase indicated with "-")	-790,605,226.52	444,843,931.64
Decrease in operating receivables (increase indicated with "-")	-5,010,652,760.11	-2,121,902,869.11
Increase in operating payables (decrease indicated with "-")	7,347,957,407.88	-4,638,347,336.81
Others		

Net cash generated from/used in operating activities	26,774,941,873.05	14,698,327,593.21
2. Significant investment and financing activities not involving cash:	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalents:	--	--
Closing balance of cash	80,975,257,378.72	66,967,091,800.45
Less: Opening balance of cash	66,967,091,800.45	63,138,829,242.88
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		65,304,080.91
Net increase in cash and cash equivalents	14,008,165,578.27	3,762,958,476.66

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	80,975,257,378.72	66,967,091,800.45
Including: Cash on hand	21,897.04	25,283.79
Bank deposit readily available for payment	80,974,942,794.33	66,967,063,316.29
Other monetary assets readily available for payment	292,687.35	3,200.37
II. Cash Equivalents		
Of which: Bond investment due within three months		
III. Cash and cash equivalents, end of the period	80,975,257,378.72	66,967,091,800.45

49. Assets with restricted ownership or use right

Unit: RMB

Item	Closing carrying value	Reason for restriction
Monetary assets	307,498,340.40	The balance of RMB3,211.55 in the securities trading account with the Yibin Business Department of Essence Securities, security deposits of RMB307,240,205.65 for bank acceptance notes, and other security deposits of RMB254,923.20
Receivables financing	118,374,800.00	In pledge for bank acceptance notes
Total	425,873,140.40	--

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

Unit: RMB

Item	Closing balance of foreign currency	Conversion exchange rate	Closing balance converted to RMB
Monetary assets	--	--	
Including: USD	1,043,532.51	6.3754	6,652,949.26
EUR			
HKD			
Accounts receivable	--	--	
Including: USD			
EUR			

HKD			
Long-term borrowings	--	--	
Including: USD			
EUR			
HKD			

(2) Note on overseas operating entities, including disclosure of overseas primary business places, bookkeeping base currency and selection basis for important overseas operating entities, and disclosure of the reasons for any change in the bookkeeping base currency.

Applicable Not applicable

51. Government subsidies

(1) Basic information on government subsidies

Unit: RMB

Type	Amount	Presented items	Amounts included in current profit or loss
90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)	201,380,000.00	Deferred income	6,712,666.56
Brewery Wastewater Comprehensive Treatment Project	22,500,000.00	Deferred income	750,000.00
Songgong River (Wuliangye Section) Comprehensive Treatment Project	10,730,000.00	Deferred income	357,666.72
Technical Upgrading Project of the Quality Control, Quality Inspection and Testing Center	10,300,000.00	Deferred income	343,333.32
300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)	10,000,000.00	Deferred income	
Wastewater Comprehensive Treatment and Transformation Project	10,000,000.00	Deferred income	333,333.36
Technological Innovation Project for Storing Blended Liquor	10,000,000.00	Deferred income	
Wuliangye Industrial Park Construction Project	10,000,000.00	Deferred income	
Wastewater Treatment System Upgrading and Renovation Project	9,600,000.00	Deferred income	320,000.04
Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)	6,600,000.00	Deferred income	219,999.96
Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Baijiu Pottery Jar Aging Room	5,900,000.00	Deferred income	590,000.04
Shiergoubao Production Line Technical Upgrading Project	1,200,000.00	Deferred income	120,000.00
Informatization and big data application	1,000,000.00	Deferred income	125,000.04
Provincial special funds for intellectual property	90,000.00	Deferred income	90,000.00
Award from the Modern Service Industry Development Bureau of the Economic and Technological Development Zone in Lingang	81,592,581.00	Other incomes	81,592,581.00
Support funds for settled enterprises	37,704,133.40	Other incomes	37,704,133.40
VAT deduction	22,243,665.14	Other incomes	22,243,665.14
Subsidies for attracting investment	13,606,674.38	Other incomes	13,606,674.38
Refund of charges of individual income tax	7,078,864.73	Other incomes	7,078,864.73
New Apprenticeship training subsidy for enterprises in Cuiping District, Yibin City	5,132,800.00	Other incomes	5,132,800.00
Special fund for talent development	3,815,600.00	Other incomes	3,815,600.00
Subsidy from the Finance Bureau of Huaibin County	2,400,000.00	Other incomes	2,400,000.00
Industrial development funds	2,395,500.00	Other incomes	2,395,500.00

Award from the Senior Management of Economic Cooperation and Foreign Affairs Bureau in Nanxi District, Yibin	1,549,000.00	Other incomes	1,549,000.00
Award for the individual income tax of senior management and business cadre	864,152.61	Other incomes	864,152.61
Subsidy for the overall image promotion of Yu Liquor	580,000.00	Other incomes	580,000.00
Provincial special funds for science and technology project	543,000.00	Other incomes	543,000.00
Subsidy for innovation development of the provincial engineering and technology research center	500,000.00	Other incomes	500,000.00
Science and technology project funds of Yibin	400,000.00	Other incomes	400,000.00
New generation wine development project	380,000.00	Other incomes	380,000.00
Subsidy for Sichuan Tianfu Ten-Thousand-People Plan	200,000.00	Other incomes	200,000.00
Fund for the "Mian Wheat 902" project of Mianyang Municipal Academy of Agricultural Science Research	150,000.00	Other incomes	150,000.00
Subsidy for the engineering and technology research center of functional polyester material in Yibin	100,000.00	Other incomes	100,000.00
Other fragmentary government subsidies	7,271.05	Other incomes	7,271.05
Total	490,543,242.31		191,205,242.35

(2) Return of government subsidies

Applicable Not applicable

VIII Changes in Consolidation Scope

1. Business combinations involving entities not under common control

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

2. Business combinations involving entities under common control

There was 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

Whether there was a single disposal of an investment in a subsidiary that resulted in a loss of control

Yes No

Whether there was a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the current period

Yes No

5. Changes in consolidation scope for other reasons

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. On 19 November 2021, three wholly-owned subsidiaries of the Company, namely Yibin Cuipingshan Liquor Co., Ltd., Yibin Century Liquor Co., Ltd. and Yibin Zhenwushan Liquor Co., Ltd., were de-registered and have been excluded from the Company's consolidated financial statements since that day.

IX Interests in Other Entities

1. Interests in subsidiaries

(1) Compositions of the Group

Name of subsidiary	Primary business place	Registered address	Nature of business	Shareholding proportion		Way of acquisition
				Directly	Indirectly	
Sichuan Yibin Wuliangye Distillery Co., Ltd.	Yibin	Yibin	Manufacturing	99.00%	0.99%	Establishment

Yibin Wuliangye Liquor Sales Co., Ltd.	Yibin	Yibin	Business	95.00%		Establishment
Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Yibin Wuliangchun Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.	Yibin	Yibin	Business		95.00%	Establishment
Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.	Yibin	Yibin	Business	99.00%	0.95%	Establishment
Yibin Jiangjiu Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd.	Yibin	Yibin	Manufacturing	51.00%		Establishment
Sichuan Jinwuxin Technology Co., Ltd.	Yibin	Yibin	Business		51.00%	Business combinations involving entities not under common control
Sichuan Jiebeike Environmental Technology Co., Ltd.	Yibin	Yibin	Engineering		26.01%	Establishment
Yibin Changjiangyuan Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Establishment
Yibin Changjiangyuan Trade Co., Ltd.	Yibin	Yibin	Business		100.00%	Establishment
Yibin Changjiangyuan Brewery Co., Ltd.	Yibin	Yibin	Manufacturing		100.00%	Establishment
Yibin Wuliangye Organic Agriculture Development Co., Ltd.	Yibin	Yibin	Agriculture		100.00%	Establishment
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Yibin	Yibin	Manufacturing	90.00%		Establishment
Yibin Xianlin Liquor Marketing Co., Ltd.	Yibin	Yibin	Business		90.00%	Establishment
Yibin Wuliangye Xinshengdai Liquor Co., Ltd.	Yibin	Yibin	Business		42.30%	Establishment
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	Yibin	Yibin	Manufacturing	97.00%	1.53%	Establishment
Yibin Xinxing Packaging Co., Ltd.	Yibin	Yibin	Business		98.53%	Establishment
Sichuan Yibin Plastic Packaging Materials Company Limited	Yibin	Yibin	Manufacturing	100.00%		Business combinations involving entities not under common control
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combinations involving entities not under common control
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combinations involving entities not under common control
Sichuan Yibin Push Group 3D Co., Ltd.	Yibin	Yibin	Manufacturing	100.00%		Business combinations involving entities not under common control
Guangdong Foshan Plastic Packaging Materials Company Limited	Foshan	Foshan	Manufacturing		100.00%	Establishment
Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.	Yibin	Yibin	Investment	95.00%		Establishment
Wuhou Cultural Development Co., Ltd.	Beijing	Beijing	Cultural industry		70.30%	Establishment

Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Beijing	Beijing	Business	95.00%		Establishment
Handan Yongbufenli Liquor Co., Ltd.	Handan	Handan	Manufacturing	51.00%		Establishment
Linzhang Desheng Wine Trade Co., Ltd.	Handan	Handan	Business		51.00%	Establishment
Handan Yongbufenli Sales Co., Ltd.	Handan	Handan	Business		51.00%	Establishment
Huaibin Wubin Consultation Service Co., Ltd.	Huaibin	Huaibin	Consultation	100.00%		Business combinations involving entities not under common control
Wuguchun Jiu Ye Co., Henan. China	Huaibin	Huaibin	Manufacturing	11.03%	40.00%	Business combinations involving entities not under common control
Huaibin Tenglong Trade Co., Ltd.C	Huaibin	Huaibin	Business		51.03%	Establishment
WU JIU YE SALES CO., HENAN. China	Huaibin	Huaibin	Business		51.03%	Establishment
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	Yibin	Yibin	Tourism	80.00%		Establishment
Sichuan Wuliangye Tourist Agency Co., Ltd.	Yibin	Yibin	Tourism		80.00%	Establishment
Yibin Wuliangye Creart Co., Ltd.	Yibin	Yibin	Business	45.00%		Establishment
Wuliang Nongxiang Series Baijiu Yibin Co., Ltd.	Yibin	Yibin	Business	95.00%		Establishment
Sichuan Wuliangye New Retail Management Co., Ltd.	Chengdu	Chengdu	Business	90.00%		Establishment

Note on the difference between shareholding proportion and proportion of 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:

1. As reviewed and approved by the 5th Board of Directors of the Company, the Company, Beijing Sparkle Investment Co., Ltd., Shanghai Yue Shan Investment Management Co., Ltd. and Changjiang Growth Capital Co., Ltd. jointly funded and established Yibin Wuliangye Creart Co., Ltd. (hereinafter referred to as the "Creart Company"), of which the registered capital is 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. On 26 October 2015, as reviewed and adopted by the 10th meeting of the 5th Board of Directors of the Company: Sichuan Yibin Wuliangye Group Xianlin Fruit Wine Co., Ltd. (which had been renamed as Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd. in 2019), a controlling subsidiary of the Company and contributing RMB14.1 million (taking up 47% of the equity), Yibin Guotai Commerce and Trade Co., Ltd. (which is now Yibin Guotai Supply Chain Management Co., Ltd.) and contributing RMB11.4 million (taking up 38% of the equity), and Guangzhou Jude Trade Co., Ltd., contributing RMB4.5 million (taking up 15% of the equity), jointly established "Yibin Wuliangye Xinshengdai Liquor Co., Ltd." (hereinafter referred to as "Xinshengdai Company"), of which the registered capital is RMB30 million. Registration of Xinshengdai Company was completed on 11 July 2016. Its registered capital is RMB30 million. The Board of Directors of Xingshengdai Company consists of 5 directors. The Company holds 2/3 of the voting rights in it, and therefore it is included in the consolidated statements.

(2) Important non-wholly owned subsidiaries

Unit: RMB

Name of subsidiary	Minority shareholders shareholding proportion	Current profits and losses attributable to minority shareholders	Current dividends declared to minority shareholders	Closing balance of non-controlling interests
Yibin Wuliangye Liquor Sales Co., Ltd.	5.00%	846,268,806.21	764,088,739.36	1,305,262,683.28

(3) Main financial information of important non-wholly owned subsidiaries

Unit: RMB

Name of subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yibin Wuliangye Liquor Sales Co., Ltd.	48,642,681,798.88	1,409,440,389.95	50,052,122,188.83	23,989,163,724.26	248,325,516.31	24,237,489,240.57
	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
	38,220,982,171.89	879,359,418.26	39,100,341,590.15	14,907,373,717.36	21,936,261.60	14,929,309,978.96

Unit: RMB

Name of subsidiary	2021			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Yibin Wuliangye Liquor Sales Co., Ltd.	58,718,765,149.19	16,925,376,124.29	16,925,376,124.29	21,044,523,299.61
	2020			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
	50,993,911,050.55	17,066,813,026.81	17,066,813,026.81	9,446,358,627.67

2. Interests in joint arrangement or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Primary business place	Registered address	Nature of business	Shareholding proportion		Accounting treatment of investment in joint ventures or associates
				Directly	Indirectly	
Oriental Outlook Media Co., Ltd.	Beijing	Beijing	Advertising industry	49.00%		Equity method
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Yibin	Yibin	Finance	40.56%		Equity method
Yibin Jiamei Intelligent Packaging Co., Ltd.	Yibin	Yibin	Packaging and printing industry		48.28%	Equity method
Beijing Zhongjiuhucui Education and Technology Co., Ltd.	Beijing	Beijing	Education industry	20.83%		Equity method

(2) Main financial information of important associates

Unit: RMB

Item	Closing balance/2021	Opening balance/2020
	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Sichuan Yibin Wuliangye Group Finance Co., Ltd.
Current assets	15,261,397,498.01	6,055,219,559.79
Non-current assets	28,681,784,105.08	32,057,084,162.36
Total assets	43,943,181,603.09	38,112,303,722.15
Current liabilities	39,338,284,799.58	33,617,391,380.72
Non-current liabilities	5,208,942.19	2,828,468.76
Total liabilities	39,343,493,741.77	33,620,219,849.48
Non-controlling interests		
Equity attributable to the shareholders of the Company as the parent	4,599,687,861.32	4,492,083,872.67
Share of net assets calculated according to the shareholding proportion	1,865,633,396.55	1,817,394,942.42
Adjusted items		
--Goodwill		
--Unrealized profit of internal transaction		
--Others		
Carrying value of equity investment in associates	1,865,633,396.55	1,817,394,942.42

Fair values of equity investments of associates with quoted prices		
Operating revenue	501,329,916.19	549,652,714.68
Net profit	210,463,988.65	228,588,076.16
Net profit of the termination of business		
Other comprehensive income		
Total comprehensive income	210,463,988.65	228,588,076.16
Dividends received from the associates in the current period	41,720,016.00	

(3) Main financial information of unimportant joint ventures and associates

Unit: RMB

	Closing balance/2021	Opening balance/2020
Joint ventures:	--	--
Total amount of the following items calculated by shareholding proportion	--	--
Associates:	--	--
Total carrying value of investments	45,595,257.08	32,582,160.88
Total amount of the following items calculated by shareholding proportion	--	--
--Net profit	7,388,096.20	5,661,916.04
--Total comprehensive income	7,388,096.20	5,661,916.04

3. Rights and interests in structured entities not included in the consolidated financial statements

There is no structured entity included in the consolidated financial statements in the Reporting Period.

X The Disclosure of Fair Value**1. Fair value of assets and liabilities measured at fair value at the end of the period**

Unit: RMB

Item	Closing fair value			
	Fair value measurement at level I	Fair value measurement at level II	Fair value measurement at level III	Total
I. Consistent Fair Value Measurement	--	--	--	--
Receivables financing			1,641,509,588.69	1,641,509,588.69
Other non-current financial assets			1,200,000.00	1,200,000.00
Total assets measured at fair value on an ongoing basis			1,642,709,588.69	1,642,709,588.69

II. Fair Value Measurement on a Non-Ongoing Basis	--	--	--	--
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2. Basis for determining the market value of fair value measurement at level I on an ongoing and non-ongoing bases

Applicable 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

Applicable 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

Applicable Not applicable

6. For fair value measurement items on a continuous basis, if there is a conversion between different levels in the current period, the reasons for the conversion and the policy for determining the conversion time point

Applicable Not applicable

7. Changes in valuation techniques occurring in the current period and reasons for changes

Applicable Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

XI Related Parties and Related-Party Transactions

1. Information related to the Company as the parent

Name of the Company as the parent	Registered address	Nature of business	Registered capital	Shareholding ratio of the Company as the parent in the Company	Proportion of voting rights of the Company as the parent in the
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					Company
Yibin Development Holding Group Co., Ltd.	Yibin	Investment	RMB1,390 million	34.43%	34.43%

Information on the Company as the parent

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 Liang Li and its registered capital is RMB1,390 million. Its business scope includes the state-owned property right (including state-owned shares), state-owned assets and state investments as authorized by the People's Government of Yibin City. The company, as an investor, conducts capital management and assets management by holding, shareholding, investment and receiving assignment, transfer, auction, and lease within the limits of authority.

Main functions of Yibin Development Holding Group Co., Ltd. include: First, holding state-owned equity and exercising shareholder's rights in municipal-level enterprise on behalf of the People's Government of Yibin City; second, raising funds for key construction projects as 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 "IX. Interests in Other Entities" for information about subsidiaries of the Company.

3. Joint ventures and associates of the Company

Refer to the Note "IX. Interests in Other Entities" for information about important joint ventures and associates of the Company.

Other associates or joint ventures that conducted related-party transactions with the Company in the current period, or formed the balance of related-party transactions with the Company in the previous periods are as follows:

Name of joint venture or associate	Relationship with the Company
Sichuan Yibin Wuliangye Group Finance Co., Ltd.	Associates
Yibin Jiamei Intelligent Packaging Co., Ltd.	Associates

4. Note on other related parties

Names of other related parties	Relationship between other related parties and the Company
Sichuan Yibin Wuliangye Group Co., Ltd.	Legal representative of the Company concurrently serves as the Secretary of Party Committee and Chairman of Wuliangye Group Company, and some directors and officers of the Company currently hold positions in Wuliangye Group Company; directly holding 20.40% equities of the Company
Anji Logistic Group Co., Ltd. Sichuan	Subsidiaries of Wuliangye Group

Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Wuliangye Group I&E Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Push Group Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Huanyu Trade Co. Ltd.	Subsidiary of Yibin Jinlong Trade Development Corporation
Sichuan Yibin Push Mold Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Push Acetati Company Limited	Subsidiaries of Push Group Company
Sacred Mountain Molin Group Co., Ltd. Si Chuan	Subsidiaries of Wuliangye Group
Yibin Shengdi Trade Co. Ltd.	Subsidiaries of Sacred Mountain Molin Group
Yibin Jinlong Trade Development Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Global Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Licai Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Yibin Push Drive Co., Ltd.	Subsidiaries of Push Group Company
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Yibin Push Building Materials Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Yibin Push Auto Parts Co., Ltd.	Subsidiaries of Push Group Company
Push Information & Automation (Chengdu) Co., Ltd.	Subsidiaries of Push Group Company
Chengdu Global Special-Glass Manufacture Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Zhongke Better Technology Co., Ltd.	Subsidiaries of Global Group Company
Yibin Ansage International Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Ansage Auto Service Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yaohua (Yibin) Glass, Co., Ltd.	Associates of Global Group
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Haida Rubber Group Co., Ltd.	Subsidiaries of Wuliangye Group
Sichuan Tyre Rubber (Group) Co., Ltd.	Subsidiaries of Haida Rubber Group Co., Ltd.
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Subsidiaries of Push Group Company
Chengdu Huayu Glass Manufacturing Co., Ltd.	Subsidiaries of Global Group Company
Chengdu Ningjiang Machine Tool Sales Co., Ltd.	Subsidiaries of Push Group Company
Yibin Push Linko Technology Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Putian Packaging Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Sacred Mountain Hechang Clothing Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Chengdu Sacred Mountain Clothing Company	Subsidiaries of Sacred Mountain Molin Group
Yibin Push Assets Management Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Ansage Supply Chain Management Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.

Sichuan Andaxin Logistic Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Yibin Global Energy Conservation Service Co., Ltd.	Subsidiaries of Global Group Company
Yibin Wuliangye Ecological Brewing Co., Ltd.	Subsidiaries of Wuliangye Group
Chengdu Wuliangye Grand Hotel Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Jitai Automobile Sales & Service Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Wuming Tea Industry Holding Co., Ltd.	Subsidiaries of Wuliangye Tea Industry Development Fund
Sichuan Linhu Tea Co., Ltd.	Subsidiaries of Chuan Hong Tea Group Co., Ltd.
Yibin Leitian Agricultural Development Co., Ltd.	Subsidiaries of Chuan Hong Tea Group Co., Ltd.
Sichuan Huansheng Pharmacy Co., Ltd.	Subsidiaries of Wuliang Pharmaceutical Co., Ltd.
Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Paper Industry Co., Ltd.	Subsidiaries of Wuliangye Group
Yibin Wucai Packaging Co., Ltd.	Subsidiaries of Licai Group
Sichuan Yibin Push Drive Co., Ltd.	Subsidiaries of Push Group Company
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Subsidiaries of Health Wine Group Company
Sichuan Nongwu E-commerce Co., Ltd.	Subsidiaries of Chuan Hong Tea Group Co., Ltd.
Sichuan Shengshan Hexu Import & Export Trading Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Chengdu Global Special-Glass Manufacture Co., Ltd.	Subsidiaries of Global Group Company
Sichuan Shuzhan New Materials Co., Ltd.	Subsidiaries of Sacred Mountain Molin Group
Yibin Jichi Automobile Sales Service Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Yibin Wuliangye Group Pengcheng Electronics Instrument Co., Ltd.	Subsidiaries of Push Group Company
Yibin Chuanhong Tea Group Co., Ltd.	Subsidiaries of Wuliangye Tea Industry Development Fund
Yibin Ansage Auto Service Co., Ltd. Chhengdu Branch	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Yibin Wuliangye Group Anji Logistic Shipping Co., Ltd.	Subsidiaries of Anji Logistic Group Co., Ltd.
Sichuan Yibin Push International Co., Ltd.	Subsidiaries of Push Group Company
Push Ningjiang Machine Tool Co., Ltd.	Subsidiaries of Push Group Company
Anji Logistic Group Co., Ltd. Sichuan, Chengdu Branch	Subsidiaries of Anji Logistic Group Co., Ltd.
Sun Display Co., Ltd.	Subsidiaries of Push Group Company

5. Related-party transactions

(1) Related-party transactions of purchases and sales of goods, provision and reception of service

Information on purchases and sales of goods and reception of service

Unit: RMB

Related parties	Content of related-party transaction	2021	Approved trade credit	Whether exceed trade credit	2020

				or not	
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Raw materials, glass bottles, raw papers, comprehensive goods and materials, etc.	489,352,080.56			374,497,666.87
Sacred Mountain Molin Group Co., Ltd. Si Chuan	Workwear, raw materials, etc.	244,713,764.87			319,408,705.14
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Raw materials	71,018,790.28			53,748,609.10
Sichuan Yibin Push Mold Co., Ltd.	Molds, raw materials, etc.	68,939,522.33			59,250,291.62
Sichuan Yibin Push Group Co., Ltd.	RFID anti-counterfeit labels, etc.	67,959,749.62			84,792,975.46
Wuming Tea Industry Holding Co., Ltd.	Tea, etc.	63,205,148.32			141,263,221.53
Sacred Mountain Molin Group Co., Ltd. Si Chuan	Labor protection appliances, etc.	63,567,442.37			38,714,015.75
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Healthcare wine	44,958,850.17			11,196,235.86
Yibin Wucai Packaging Co., Ltd.	Packing materials, etc.	44,574,105.04			34,515,617.66
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Healthcare wine	39,195,390.87			11,195,452.74
Yibin Jinlong Trade Development Co., Ltd.	Raw materials, etc.	29,445,309.93			40,996,644.76
Sichuan Yibin Push Drive Co., Ltd.	Raw materials, etc.	25,198,204.17			18,984,916.66
Yibin Push Linko Technology Co., Ltd.	Raw materials, etc.	17,849,789.80			26,536,541.38
Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Medicine, etc.	11,174,519.56			7,972,120.82
Sichuan Putian Packaging Co., Ltd.	Slices, paper, etc.	10,720,904.50			7,961,394.53
Chengdu Huayu Glass Manufacturing Co., Ltd.	Glass bottle	3,233,095.59			4,143,258.12
Yibin Ansage International Logistic Co., Ltd.	Liquors	2,026,327.43			44,251,327.38
Yibin Chuanhong Tea Group Co., Ltd.	Tea leaves	1,908,311.50			
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Raw materials, etc.	1,406,227.36			2,191,204.82
Sichuan Shuzhan New Materials Co., Ltd.	Raw materials, etc.	1,279,766.67			291,094.03

Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Raw materials, etc.	694,466.22			44,301,991.81
Sichuan Huansheng Pharmacy Co., Ltd.	Medicine	641,800.51			3,235,716.63
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Healthcare wine	192,733.62			67,919,611.22
Yibin Wuliangye Group I&E Co., Ltd.	Liquors	178,407.08			2,217,564.96
Sichuan Yibin Push Building Materials Co., Ltd.	Raw materials, etc.	166,591.02			1,511,362.08
Yibin Ansage Auto Service Co., Ltd.	Motor gasoline	116,390.24			2,300,000.18
Sichuan Yibin Global Group Co., Ltd.	Paper products, etc.				23,676,240.12
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Glass bottle				16,030,975.17
Chengdu Global Special-Glass Manufacture Co., Ltd.	Industrial paperboard				11,488,219.80
Sichuan Ansage Supply Chain Management Co., Ltd.	Raw materials				8,114,838.19
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Raw materials				7,885,162.30
Sichuan Haida Rubber Group Co., Ltd.	Raw materials				7,883,320.00
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Packaging materials, etc.				3,177,152.17
Sub-total of other fragmentary related procurement		4,031,894.61			3,162,372.07
Total related procurement		1,307,749,584.24			1,484,815,820.93
Anji Logistic Group Co., Ltd. Sichuan	Freight and miscellaneous expenses, external service costs, etc.	691,658,046.61			534,305,032.99
Yibin Jiamei Intelligent Packaging Co., Ltd.	Outsourced processing fee	41,632,320.82			30,712,887.50
Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	Freight and miscellaneous expenses, company bus expenses, etc.	38,527,096.20			21,407,805.87
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Maintenance cost, etc.	8,250,361.82			7,408,091.53
Chengdu Wu Liangye Grand Hotel Co., Ltd.	Image publicity	6,830,188.54			

	expense				
Yibin Ansage Auto Service Co., Ltd.	Freight and miscellaneous expenses, maintenance, vehicle cost, etc.	5,274,819.29			1,693,227.24
Sichuan Yibin Wuliangye Group Anji Logistic Shipping Co., Ltd.	Freight and miscellaneous expenses	3,909,107.29			
Yibin Jinlong Trade Development Co., Ltd.	Maintenance cost	2,899,211.82			
Yibin Global Energy Conservation Service Co., Ltd.	Flue gas treatment, etc.	2,579,378.09			3,441,567.70
Yibin Jichi Automobile Sales Service Co., Ltd.	Vehicle cost, etc.	1,916,208.75			
Sichuan Ansage Supply Chain Management Co., Ltd.	Freight and miscellaneous expenses	258,565.11			814,067.82
Yibin Push Linko Technology Co., Ltd.	Maintenance cost	127,153.70			492,248.77
Sichuan Shuzhan New Materials Co., Ltd.	Printing and production cost				838,938.06
Sub-total of other fragmentary services received		1,933,495.76			1,873,704.46
Total services received		805,795,953.80			602,987,571.94

Note 1: The Company and Sichuan Yibin Global Group Tianwo Trade Co., Ltd. entered into the Purchase and Sales Agreement and Agreement, according to which the Company procures raw materials, cartons, glass bottles, etc. from Sichuan Yibin Global Group Tianwo Trade Co., Ltd. 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 Plastics Packaging Co., Ltd. entered into Procurement Contract. The Company procures films, bags, boxes, accessories, etc. from Chengdu PUTH Medical Plastics Packaging Co., Ltd. According to the bid agreement, the Company will place an order with Chengdu PUTH 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 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 8: 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.

Statement of sales of goods/provision of labor services

Unit: RMB

Related parties	Content of related-party transaction	2021	2020
Yibin Wuliangye Group I&E Co., Ltd.	Liquor products	409,320,476.95	407,232,474.70
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Liquor products	3,320,666.38	213,211,849.44
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Glass bottles, paper products, industrial sodium carbonate, etc.	17,429,899.65	179,239,339.54
Sichuan Putian Packaging Co., Ltd.	Bottle caps, slices, etc.	177,193,094.91	153,174,504.82
Sichuan Yibin Global Group Co., Ltd.	Glass bottles, raw materials, etc.	176,449,056.05	130,352,494.03

Sichuan Shengshan Hexu Import & Export Trading Co., Ltd.	Raw materials	87,079.65	112,926,805.75
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Slices, coiled materials, etc.	55,077,686.69	42,967,678.11
Sichuan Nongwu E-commerce Co., Ltd.	Liquor products	49,538,612.53	38,503,865.67
Chengdu Huayu Glass Manufacturing Co., Ltd.	Cartons, glass bottles, etc.	6,490,641.32	37,630,157.13
Sichuan Yibin Push Auto Parts Co., Ltd.	Raw materials, etc.	722,332.60	36,330,151.38
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Liquor products	45,012,917.77	33,776,653.50
Sacred Mountain Molin Group Co., Ltd. Si Chuan	Liquor products, etc.	861,594.70	29,055,333.51
Sichuan Yibin Push Building Materials Co., Ltd.	Slices, etc.	364,117.86	26,499,939.82
Sichuan Wuliangye Health Wine Marketing Co., Ltd.	Liquor products	82,552.92	23,826,649.58
Sichuan Yibin Push Group Co., Ltd.	Plastic products	12,277,424.74	22,824,155.97
Sichuan Yibin Push Drive Co., Ltd.	Slices, etc.	19,366,272.90	21,130,299.93
Yibin Jinlong Trade Development Co., Ltd.	Liquor products	816,348,512.08	15,970,781.04
Chengdu Global Special-Glass Manufacture Co., Ltd.	Glass bottle	62,123.90	14,478,940.60
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Industrial paperboard	47,195.44	11,489,368.64
Sichuan Yibin Licai Group Co., Ltd.	Liquor products		11,197,235.86
Sichuan Sacred Mountain Hechang Clothing Co., Ltd.	Plastic products		9,824,941.11
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Raw materials		7,883,585.47
Sichuan Linhu Tea Co., Ltd.	Sundries, etc.	8,657,314.16	6,469,645.74
Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	Liquor products	36,147,029.43	5,559,104.88
Sichuan Shuzhan New Materials Co., Ltd.	Hang tags, labels, etc.	11,348,797.14	5,525,892.62
Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.	Packing materials	2,128,083.34	4,461,608.28
Yibin Jinlong Trade Development Co., Ltd.	Mixed grains, and rice bran	3,871,702.12	3,807,071.70
Yibin Jiamei Intelligent Packaging Co., Ltd.	Paper products, etc.	513,031.82	2,131,541.87
Sichuan Push Acetati Company Limited	Raw materials, etc.	17,958,510.06	1,466,710.69
Sichuan Tyre Rubber (Group) Co., Ltd.	Liquor products	1,356,672.57	1,465,486.72
Wuming Tea Industry Holding Co., Ltd.	Liquor products	416.04	1,350,529.39
Chengdu Wu Liang Ye Grand Hotel Co., Ltd.	Liquor products		1,081,555.75

Sichuan Nongwu E-commerce Co., Ltd.	Sundries, paper products, etc.	2,055,108.18	1,020,744.06
Sichuan Linhu Tea Co., Ltd.	Liquor products	1,221,238.94	725,872.57
Push Information & Automation (Chengdu) Co., Ltd.	Bottle caps, glass bottles, etc.	288,136.53	33,466.05
Anji Logistic Group Co., Ltd. Sichuan	Liquor products	796,696,566.44	
Yibin Wucai Packaging Co., Ltd.	Liquor products	44,573,505.04	
Sichuan Yibin Push International Co., Ltd.	Sheets, slices, etc.	3,646,154.03	
Yibin Wuliangye Ecological Brewing Co., Ltd.	Paper tags, etc.	2,035,519.70	
Sichuan Yibin Push Mold Co., Ltd.	Wine, catering, etc.	1,625,007.87	
Sichuan Ansage Supply Chain Management Co., Ltd.	Liquor products	1,469,515.07	
Push Ningjiang Machine Tool Co., Ltd.	Liquor products	1,061,946.90	
Other fragmentary sales		6,298,731.11	10,409,576.82
Total		2,733,005,245.53	1,625,036,012.74

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 Plastics Packaging Co., Ltd. entered into the Framework Contract and Related-Party Transaction Framework Agreement. Chengdu PUTH Medical Plastics Packaging Co., Ltd. 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.

Note 7: On 15 December 2020, the Company and Yibin Wucui Packaging Co., Ltd. entered into the Agreement. Yibin Wucui Packaging Co., Ltd. procures finished liquor and others 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.

(2) Related-party lease

The Company as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease revenue recognized in the current period	Lease revenue recognized in previous period
Sichuan Yibin Push Building Materials Co., Ltd.	Warehouse	817,008.36	663,267.96
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Tenements	384,171.44	384,171.44
Sichuan Putian Packaging Co., Ltd.	Warehouse	74,109.62	125,044.55
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Warehouse	60,317.51	57,142.84
Anji Logistic Group Co., Ltd. Sichuan	Tenements		838,157.18
Chengdu PUTH Medical Plastics Packaging Co., Ltd.	Equipment		501,015.52
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Tenements		226,285.72

The Company as the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Rents recognized in the current period	Rents recognized in previous period
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Sichuan Yibin Wuliangye Group Co., Ltd.	Lands (Note 1)	296,608,546.40	296,558,180.00
Anji Logistic Group Co., Ltd. Sichuan	Warehouse	150,916,836.86	44,837,768.19
Sichuan Yibin Wuliangye Group Co., Ltd.	Operation and management areas (Note 2)	29,255,400.00	29,605,028.57
Sichuan Yibin Licai Group Co., Ltd.	Tenements (Note 3)	10,794,555.85	15,512,748.60
Sichuan Yibin Push Group Co., Ltd.	Operation and management areas (Note 4)	6,715,238.10	6,715,238.10
Yibin Push Assets Management Co., Ltd.	Warehouse	7,751,407.36	5,606,413.94
Yibin Push Linko Technology Co., Ltd.	Warehouses and tenements	4,808,286.42	2,325,929.91
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Warehouse	4,440,887.72	4,440,887.72
Chengdu Huayu Glass Manufacturing Co., Ltd.	Equipment	4,069,761.90	4,225,181.48
Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	Warehouse	2,742,857.12	1,228,525.72
Sichuan Yibin Push Group Co., Ltd.	Warehouse	2,510,537.14	2,486,852.84
Sichuan Yibin Global Group Co., Ltd.	Warehouse	1,494,905.67	2,989,811.34
Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	Warehouse	834,227.59	
Anji Logistic Group Co., Ltd. Sichuan, Chengdu Branch	Warehouse	580,823.31	
Sichuan Yibin Push Auto Parts Co., Ltd.	Equipment	130,810.30	130,810.30
Sichuan Andaxin Logistic Co., Ltd.	Warehouse	65,094.34	2,530,894.04
Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	Equipment	43,068.00	43,068.00
Sun Display Co., Ltd.	Warehouse	42,884.00	
Sichuan Ansage Supply Chain Management Co., Ltd.	Warehouse	28,301.88	28,301.88
Sichuan Putian Packaging Co., Ltd.	Equipment	11,865.31	
Yibin Push Linko Technology Co., Ltd.	Equipment		1,459,428.57

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 19 November 2020, the Company and Sichuan Yibin Licai Group Co., Ltd. entered into the Factory Building Lease Contract, according to which Licai Group leases the high-end product workshop building (1 F-5 F) at its headquarter to the Company. The leased area is 20,557.30 square meters, with the annual rent (tax inclusive) of RMB16,288,386. The Agreement is valid from 1 January 2021 to 31 December 2023.

Note 4: 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) Guarantee with related parties

The Company had no guarantee with related parties during the Reporting Period.

(4) Loans and borrowings with related parties

The Company had no loans and borrowings with related parties during the Reporting Period.

(5) Assets transfer and debt restructuring with related parties

There was no assets transfer and debt restructuring with related parties during the Reporting Period.

(6) Key management personnel remuneration

Unit: RMB'0,000

Item	2021	2020
Key management personnel remuneration	1,407.67	1,129.65

(7) Other related-party transactions

a) Procurement of equipment, etc.

Unit: RMB

Related parties	Content of related-party transaction	Total amount accounted for the current period	Amount in previous period
Sichuan Yibin Wuliangye Group Co., Ltd.	Trademark and logo royalties (Note 1)	739,709,867.75	637,338,648.84

Sichuan Yibin Wuliangye Group Co., Ltd.	Comprehensive service fee (Note 2)	79,499,446.08	91,977,989.83
Yibin Jichi Automobile Sales Service Co., Ltd.	Purchase of transportation equipment	5,075,292.71	33,458,753.81
Sichuan Yibin Push Intelligent Technology Co., Ltd.	Procurement of equipment	6,506,484.48	21,837,927.09
Push Information & Automation (Chengdu) Co., Ltd.	Procurement of equipment	5,525,663.76	7,404,778.67
Yibin Jitai Automobile Sales & Service Co., Ltd.	Purchase of transportation equipment		2,629,421.85
Sichuan Zhongke Better Technology Co., Ltd.	Procurement of equipment		30,255.00
Sichuan Baiweiyuan Food Co., Ltd.	Purchase of transportation equipment		12,319.16
Sichuan Yibin Wuliangye Group Pengcheng Electronics Instrument Co., Ltd.	Procurement of equipment		5,970.00
Sichuan Yibin Push Group Co., Ltd.	Procurement of equipment	6,207,106.20	
Sichuan Yibin Wuliangye Group Co., Ltd.	Land use right	814,316.92	
Sichuan Yibin Wuliangye Group Co., Ltd.	Procurement of equipment	339,022.37	
Yibin Ansage Auto Service Co., Ltd. Chhengdu Branch	Purchase of transportation equipment	1,002,032.36	
Yaohua (Yibin) Glass, Co., Ltd.	Purchase of transportation equipment	32,998.25	
Sichuan Yibin Push Mold Co., Ltd.	Selling of equipment	423,194.48	
Yibin Jichi Automobile Sales Service Co., Ltd.	Selling of transportation equipment	849,557.52	

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 2 April 2021, the Company and Sichuan Yibin Wuliangye Group Finance Co., Ltd. (hereinafter referred to as "Wuliangye Group Finance Co., Ltd.") entered into the Financial Service Agreement. The main contents are loan and deposit services. Daily balance of deposits in 2021 was no more than RMB47.9 billion, and the daily balance of loan in 2021 was no more than RMB10 billion.

The total deposits of the Company with the Wuliangye Group Finance Co., Ltd. was RMB34,635,840,137.76 at the end of the period; Sichuan Yibin Wuliangye Group Co., Ltd. issued the Commitment Letter to the Company, assuring that relevant deposits and loans of the Company with the Wuliangye Group Finance Co., Ltd. are safe; the current interest income is RMB835,567,595.13 in total; the Company discounted bank acceptance bills of RMB2,925,360,111.00 to the Wuliangye Group Finance Co., Ltd. and paid discount interest of RMB36,573,617.97 during the current period.

6. Receivables from and payables to related parties

(1) Accounts receivable

Unit: RMB

Project name	Related parties	Closing balance		Opening balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	Sichuan Putian Packaging Co., Ltd.	12,850,871.27		7,403,902.45	
Accounts receivable	Chengdu PUTH Medical Plastics Packaging Co., Ltd.	3,838,157.14			
Accounts receivable	Chengdu Huayu Glass Manufacturing Co., Ltd.	2,735,249.77		249,223.49	
Accounts receivable	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.	268,000.00		319,302.00	
Accounts receivable	Sichuan Yibin Push Auto Parts Co., Ltd.	129,813.03		56,300.73	
Accounts receivable	Yibin Chuanhong Tea Group Co., Ltd.	84,455.50		177,812.00	
Accounts receivable	Yibin Jiamei Intelligent Packaging Co., Ltd.	57,854.06			
Accounts receivable	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.			1,192,800.00	
Accounts receivable	Sichuan Nongwu E-commerce Co., Ltd.			683,951.30	

Accounts receivable	Yibin Paper Industry Co., Ltd.			396,398.81	
Accounts receivable	Sichuan Yibin Push Group Co., Ltd.			244,352.00	
Accounts receivable	Sichuan Andaxin Logistic Co., Ltd.			74,136.00	
Accounts receivable	Sichuan Yibin Push Intelligent Technology Co., Ltd.			18,069.72	
Accounts prepaid	Sichuan Yibin Push Group Co., Ltd.	24,826,236.07			
Accounts prepaid	Chengdu PUTH Medical Plastics Packaging Co., Ltd.	4,713,700.00		1,327,100.00	
Accounts prepaid	Sacred Mountain Molin Group Co., Ltd. Si Chuan	1,761,061.95		4,006,415.93	
Accounts prepaid	Wuming Tea Industry Holding Co., Ltd.	1,560,000.00		6,160,000.00	
Accounts prepaid	Anji Logistic Group Co., Ltd. Sichuan	827,429.00		827,429.00	
Accounts prepaid	Yibin Ansage Auto Service Co., Ltd.	4,528.59		273,193.61	
Accounts prepaid	Yibin Push Linko Technology Co., Ltd.			19,944,767.12	
Accounts prepaid	Yibin Ansage Auto Service Co., Ltd. Chhengdu Branch			200,000.00	
Accounts prepaid	Push Information & Automation (Chengdu) Co., Ltd.			12,810.00	
Monetary assets	Sichuan Yibin Wuliangye Group Finance Co., Ltd.	510,174,463.27		476,552,144.13	
Other receivables	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.			460,000.00	
Other receivables	Sichuan Putian Packaging Co., Ltd.	260,000.00		288,252.45	
Other receivables	Chengdu Huayu Glass Manufacturing Co., Ltd.	200,000.00		200,000.00	
Other receivables	Anji Logistic Group Co., Ltd. Sichuan	130,000.00		100,000.00	
Other receivables	Yibin Wuliangye Ecological Brewing Co., Ltd.	122,727.27		122,727.27	

Other receivables	Sichuan Linhu Tea Co., Ltd.	45,000.00		80,000.00	
Other receivables	Sichuan Shuzhan New Materials Co., Ltd.	15,000.00		32,000.00	
Other receivables	Sichuan Ansage Supply Chain Management Co., Ltd.			10,000.00	

The amount related to Sichuan Yibin Wuliangye Group Finance Co., Ltd. in this table represents the interest on time deposits accrued on an accrual basis, and the closing balance is presented in the monetary assets account.

(2) Payables

Unit: RMB

Project name	Related parties	Closing carrying amount	Opening carrying amount
Accounts payable	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	7,598,386.93	3,171,085.68
Accounts payable	Sichuan Yibin Push Group Co., Ltd.	6,385,676.78	
Accounts payable	Yibin Jiamei Intelligent Packaging Co., Ltd.	4,050,000.00	
Accounts payable	Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	1,178,214.10	354,013.71
Accounts payable	Chengdu Huayu Glass Manufacturing Co., Ltd.	897,056.30	778,630.05
Accounts payable	Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	539,522.98	
Accounts payable	Anji Logistic Group Co., Ltd. Sichuan	405,066.80	
Accounts payable	Sichuan Yibin Push Intelligent Technology Co., Ltd.	169,087.50	243,745.46
Accounts payable	Yibin Ansage International Logistic Co., Ltd.	73,959.23	
Accounts payable	Sichuan Putian Packaging Co., Ltd.	37,096.80	37,096.80
Accounts payable	Sacred Mountain Molin Group Co., Ltd. Si Chuan	4,788.00	
Accounts payable	Sichuan Huansheng Pharmacy Co., Ltd.	1,310.05	
Accounts payable	Sichuan Yibin Push Drive Co., Ltd.		1,253,105.19
Accounts payable	Yibin Global Energy Conservation Service Co., Ltd.		649,772.10
Accounts payable	Chengdu Ningjiang Machine Tool Sales Co., Ltd.		180,000.00
Accounts payable	Sichuan Ansage Supply Chain Management Co., Ltd.		116,615.11
Accounts payable	Sichuan Shuzhan New Materials Co., Ltd.		110,000.00
Contract liability	Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	17,410,387.61	9,255,292.04
Contract liability	Sichuan Yibin Push International Co., Ltd.	1,435,659.19	

Contract liability	Sacred Mountain Molin Group Co., Ltd. Si Chuan	959,477.88	663,844.25
Contract liability	Sichuan Nongwu E-commerce Co., Ltd.	741,808.36	26,075,394.69
Contract liability	Yibin Wuliangye Ecological Brewing Co., Ltd.	675,562.97	675,562.97
Contract liability	Sichuan Shuzhan New Materials Co., Ltd.	524,403.54	1,427,964.60
Contract liability	Yibin Wuliangye Group I&E Co., Ltd.	371,681.42	34,487.42
Contract liability	Yibin Development Holding Group Co., Ltd.	326,548.67	388,495.58
Contract liability	Sichuan Ansage Supply Chain Management Co., Ltd.	211,498.23	
Contract liability	Yibin Ansage International Logistic Co., Ltd.	184,290.39	184,290.39
Contract liability	Sichuan Putian Packaging Co., Ltd.	112,938.05	271,880.99
Contract liability	Anji Logistic Group Co., Ltd. Sichuan	16,579.99	25,909.85
Contract liability	Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	892.04	
Contract liability	Sichuan Push Acetati Company Limited		17,650,236.39
Contract liability	Sichuan Yibin Push Group Co., Ltd.		7,484,749.18
Contract liability	Sichuan Tyre Rubber (Group) Co., Ltd.		958,672.57
Contract liability	Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.		788,720.35
Contract liability	Push Information & Automation (Chengdu) Co., Ltd.		227,101.77
Contract liability	Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd.		58,796.46
Notes payable	Yibin Jiamei Intelligent Packaging Co., Ltd.	9,190,015.55	7,500,000.00
Notes payable	Sichuan Putian Packaging Co., Ltd.	70,000.00	
Notes payable	Sichuan Yibin Licai Group Co., Ltd.		3,900,000.00
Notes payable	Wuming Tea Industry Holding Co., Ltd.		909,196.00
Notes payable	Anji Logistic Group Co., Ltd. Sichuan		447,351.78
Dividend payable	Sichuan Yibin Wuliangye Group Co., Ltd.		37,918,093.23
Other payables	Sichuan Putian Packaging Co., Ltd.	1,838,478.00	1,956,478.00
Other payables	Sichuan Yibin Push Intelligent Technology Co., Ltd.	1,674,898.82	2,638,791.93
Other payables	Push Information & Automation (Chengdu) Co., Ltd.	1,356,900.44	1,115,990.00
Other payables	Yibin Ansage International Logistic Co., Ltd.	731,184.30	681,184.30
Other payables	Sacred Mountain Molin Group Co., Ltd. Si Chuan	440,254.40	9,156.80
Other payables	Chengdu PUTH Medical Plastics Packaging Co.,	217,761.64	

	Ltd.		
Other payables	Sichuan Nongwu E-commerce Co., Ltd.	100,000.00	
Other payables	Yibin Push Linko Technology Co., Ltd.	166,531.03	342,271.35
Other payables	Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.	137,790.43	137,790.43
Other payables	Sichuan Yibin Wuliang Pharmaceutical Co., Ltd.	111,500.00	102,200.00
Other payables	Yibin Push Assets Management Co., Ltd.	85,204.00	353,516.00
Other payables	Yibin Jiamei Intelligent Packaging Co., Ltd.	60,000.00	50,000.00
Other payables	Sichuan Yibin Push Building Materials Co., Ltd.	50,000.00	50,000.00
Other payables	Yibin Development Holding Group Co., Ltd.	50,000.00	50,000.00
Other payables	Sichuan Tyre Rubber (Group) Co., Ltd.	50,000.00	
Other payables	Yibin Global Energy Conservation Service Co., Ltd.	49,000.00	
Other payables	Sichuan Yibin Global Group Tianwo Trade Co., Ltd.	20,000.00	70,000.00
Other payables	Wuming Tea Industry Holding Co., Ltd.	20,000.00	
Other payables	Yibin Ansage Auto Service Co., Ltd.	20,000.00	
Other payables	Sichuan Linhu Tea Co., Ltd.	10,000.00	50,000.00
Other payables	Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.	5,040.84	5,040.84
Other payables	Sichuan Shuzhan New Materials Co., Ltd.	3,000.00	3,000.00
Other payables	Sichuan Andaxin Logistic Co., Ltd.	1,000.00	
Other payables	Anji Logistic Group Co., Ltd. Sichuan		430,000.00
Other payables	Yibin Shengdi Trade Co. Ltd.		5,000.00
Other payables	Sichuan Yibin Push Group Co., Ltd.		4,794.00
Other payables	Sichuan Ansage Supply Chain Management Co., Ltd.		2,036.28

XII 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.

XIII 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 6th meeting of the 5th Board of Directors of the Company held on 27 April 2022, the profit distribution plan of 2021 is: RMB30.23 (tax inclusive) in cash will be distributed for every 10 shares, and no capital reserve will be transferred to share capital. This plan shall be subject to the approval of 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.

XIV Other Significant Matters

1. Pension 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 Pension 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 pension plan of the Company include: (1) Employees who have entered into labor contracts with the Company; (2) employees who participate in the basic old-age insurance system for enterprise employees according to the law and perform the obligation of payment; and (3) employees who are on duty and registered (excluding the probation period) will participate the corporate pension plan on a voluntary basis.

Expenses for the corporate pension shall be shared by the Company and the employees. Contribution by an employee shall be 3% of the contribution base of such employee, and the monthly contribution base of the employee shall be the average wage in the previous year. Total amount of contribution by the Company shall be 5% of the total annual wage paid by the Company, which shall be distributed to individual accounts of the employees at 3% of the contribution base of the employees, while the remaining 2% shall be distributed to the corporate account as incentives for rewarding personnel who make significant contributions to the Company and for redistribution to employees of the Company.

2. Segment information

The Company has no other businesses than liquor products which have significant impact on the 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.

XV Notes of Main Items in the Financial Statements of the Company as the Parent

1. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Dividends receivable	1,153,154,780.16	734,729,782.94
Other receivables	6,674,621,403.75	6,331,395,342.48
Total	7,827,776,183.91	7,066,125,125.42

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Item (or invested company)	Closing balance	Opening balance
Dividends receivable from subsidiaries	1,153,154,780.16	734,729,782.94
Total	1,153,154,780.16	734,729,782.94

2) Provision for bad debt

Applicable Not applicable

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

Unit: RMB

Nature of receivable	Closing carrying amount	Opening carrying amount
Current account	6,671,120,101.42	6,327,394,369.95
Deposit	5,000,000.00	5,000,000.00
Cash float	5,202.65	4,862.65
Total	6,676,125,304.07	6,332,399,232.60

2) Provision for bad debt

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the coming 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on 1 January 2021	1,003,890.12			1,003,890.12
Balance on 1 January 2021 in the current period	—	—	—	—
Provisions in the current period	500,010.20			500,010.20
Balance on 31 December 2021	1,503,900.32			1,503,900.32

Large carrying amount change in the current period of provision for loss

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Carrying amount
Within 1 year (inclusive)	4,647,109,152.61
1 to 2 years	150,840,749.95
2 to 3 years	102,827,810.23
More than 3 years	1,775,347,591.28
3 to 4 years	126,542,645.67
4 to 5 years	104,064,080.50
More than 5 years	1,544,740,865.11
Total	6,676,125,304.07

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

Bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Other receivables with bad debt provision by single item						
Other receivables with bad debt provision by credit risk combination	1,003,890.12	500,010.20				1,503,900.32
Total	1,003,890.12	500,010.20				1,503,900.32

4) Other receivables actually written off in the current period

The Company as the parent had no other receivables actually written off in the current Reporting Period.

5) Other receivables of top 5 closing balances by debtor

Unit: RMB

Unit name	Nature of receivables	Closing balance	Aging	Proportion in total closing balance of other receivables	Closing balance of bad debt provision
Sichuan Yibin Wuliangye Distillery Co., Ltd.	Current account	4,432,705,367.89	Within one year	66.40%	
Yibin Jiangjiu Liquor Co., Ltd.	Current account	1,904,695,529.24	1-5 years; more than five years	28.53%	
Sichuan Yibin Wuliangye Environmental Protection Industry Co., Ltd.	Current account	191,512,926.24	1-5 years; 4-5 years; more than five years	2.87%	
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	Current account	129,206,278.05	More than five years	1.94%	
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	Current account	13,000,000.00	1-5 years; more than five years	0.19%	
Total	--	6,671,120,101.42	--	99.93%	

2. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value

Investment in subsidiaries	11,416,902,138.11		11,416,902,138.11	11,476,902,138.11		11,476,902,138.11
Investment in associates and joint ventures	1,896,707,464.47		1,896,707,464.47	1,838,516,357.72		1,838,516,357.72
Total	13,313,609,602.58		13,313,609,602.58	13,315,418,495.83		13,315,418,495.83

(1) Investment in subsidiaries

Unit: RMB

Invested company	Opening balance (carrying value)	Increase/decrease in the current period				Closing balance (carrying value)	Closing balance of depreciation reserve
		Additional investment	Reduced investment	Accrual of depreciation reserves	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					18,870,000.00	
Yibin Changjiangyuan Liquor Co., Ltd.	20,000,000.00					20,000,000.00	
Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.	2,700,000.00					2,700,000.00	
Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.	49,374,409.93					49,374,409.93	
Sichuan Yibin Plastic Packaging Materials Company Limited	3,443,149,609.25					3,443,149,609.25	
Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.	108,922,175.18					108,922,175.18	
Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.	307,282,551.14					307,282,551.14	
Sichuan Yibin Push Group 3D Co., Ltd.	240,419,229.32					240,419,229.32	
Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.	47,500,000.00					47,500,000.00	

Yibin Zhenwushan Liquor Co., Ltd.	20,000,000.00		20,000,000.00						
Yibin Shiji Liquor Co., Ltd.	20,000,000.00		20,000,000.00						
Yibin Cuipingshan Liquor Co., Ltd.	20,000,000.00		20,000,000.00						
Wuliangye Dashijie (Beijing) Trade Co., Ltd.	323,000,000.00							323,000,000.00	
Handan Yongbufenli Liquor Co., Ltd.	255,000,000.00							255,000,000.00	
Huaibin Wubin Consultation Service Co., Ltd.	199,675,708.13							199,675,708.13	
Wuguchun Jiu Ye Co., Henan. China	55,467,741.39							55,467,741.39	
Sichuan Wuliangye Culture Tourism Development Co., Ltd.	40,000,000.00							40,000,000.00	
Yibin Wuliangye Creart Co., Ltd.	45,000,000.00							45,000,000.00	
Wuliang Nongxiang Series Baijiu Yibin Co., Ltd.	95,000,000.00							95,000,000.00	
Sichuan Wuliangye New Retail Management Co., Ltd.	90,000,000.00							90,000,000.00	
Total	11,476,902,138.11			60,000,000.00				11,416,902,138.11	

(2) Investment in associates and joint ventures

Unit: RMB

Investor	Opening balance (carrying value)	Increase/decrease in the current period								Closing balance (carrying value)	Closing balance of depreciation reserve
		Additional investment	Reduced investment	Profit and loss on investments recognized with equity method	Adjustment of other comprehensive income	Changes in other equities	Declaration of cash dividends or profits	Accrual of depreciation on reserves	Others		
I. Joint Ventures											
II. Associates											
Oriental Outlook Media Co., Ltd.	21,121,415.30			4,444,523.01							25,565,938.31
Sichuan Yibin Wuliangye Group	1,817,394,942.42			89,958,470.13			41,720,016.00				1,865,633,396.55

Finance Co., Ltd.										
Beijing Zhongjiuhui Education and Technology Co., Ltd.		5,625,000.00		-116,870.39					5,508,129.61	
Sub-total	1,838,516,357.72	5,625,000.00		94,286,122.75			41,720,016.00		1,896,707,464.47	
Total	1,838,516,357.72	5,625,000.00		94,286,122.75			41,720,016.00		1,896,707,464.47	

3. Operating revenue and cost of sales

Unit: RMB

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Other businesses	6,072.98	3,997.51	40,800.00	
Total	6,072.98	3,997.51	40,800.00	

4. Return on investment

Unit: RMB

Item	2021	2020
Long-term equity return on investment accounted by cost method	17,889,486,279.68	15,244,089,045.16
Long-term equity return on investment accounted by equity method	94,286,122.75	91,885,853.76
Return on investment generated from the disposal of long-term equity investment	2,323,848.26	
Total	17,986,096,250.69	15,335,974,898.92

XVI 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	-23,622,995.51	
Government grants through profit or loss (exclusive of government grants consistently given in the Company's ordinary course of business at fixed quotas or amounts as per governmental policies or standards)	184,126,377.62	
Capital occupation charges on non-financial enterprises that are recognized in	2,144,596.61	

profit or loss		
Non-operating income and expense other than the above	-80,306,712.64	
Less: Income tax effects	21,010,672.65	
Non-controlling interests effects	11,985,497.85	
Total	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

2. Return on equity (ROE) and earnings per share (EPS)

Profit in the Reporting Period	Weighted average ROE (%)	EPS	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to the Company's ordinary shareholders	25.30%	6.023	6.023
Net profit attributable to the Company's ordinary shareholders before exceptional gains and losses	25.25%	6.010	6.010

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.

Not applicable.

Part XI 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.

Wuliangye Yibin Co., Ltd.

29 April 2022