



**Wuliangye Yibin Co., Ltd.**  
**Annual Report 2019**

**President Zeng Congqin (signature)**

**April 28, 2020**

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## Section I Important Notice, Contents, and Interpretations

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

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

III. Eight directors should be present at the board meeting auditing the Report and actually seven directors attended. Director Zou Tao was on a business trip and voted on the resolution of this meeting by means of communication. Mr. Han Cheng, an alternate director, attended the board meeting without voting rights.

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

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

VI. The Company designated *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, and CNINFO as the information-disclosure media of the Annual Report 2019 of the Company and all the information of the Company shall be subject to the information published on the above media.

VII. The profit distribution plan reviewed and adopted at the Board Meeting of the Company is that: Based on the total capital stock of 3,881,608,005, the Company will distribute the dividend of RMB 22 in cash (tax inclusive) and 0 bonus share (tax inclusive) to all shareholders for every 10 shares and will not transfer the capital reserve to increase capital stock.

## Interpretations

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

## Section II Company Profile and Main Financial Highlights

### I. Company information

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

### II. Contact person and contact information

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

### III. Information disclosure and preparation place

|  |  |
|--|--|
| Name of media selected by the Company for information disclosure | China Securities Journal, Shanghai Securities News, Securities Times |
|--|--|

|  |                          |
|--|--------------------------|
| Website designated by China Securities Regulatory Commission for the Annual Report | http://www.cninfo.com.cn |
| Preparation place of the Company's Annual Report                                   | Board office             |

#### IV. Registration changes

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

#### V. Other relevant information

Accounting firm engaged by the Company

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

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

Applicable  Not applicable

| Name of sponsor institution       | Office address of sponsor institution                           | Name of sponsor representative | Continuous supervision period    |
|-----------------------------------|---|--------------------------------|----------------------------------|
| Guotai Junan Securities Co., Ltd. | No.618, Shangcheng Road, China (Shanghai) Pilot Free Trade Zone | Teng Qiang, Liu Qiqun          | April 20, 2018-December 31, 2019 |

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

Applicable  Not applicable

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

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

Yes  No

|   | Year 2019         | Year 2018         | Increase/decrease compared with the previous year | Year 2017         |
|---|-------------------|-------------------|---|-------------------|
| Operating revenue (RMB)   | 50,118,105,877.14 | 40,030,189,599.87 | 25.20%  | 30,186,780,409.14 |
| Net profit attributable to shareholders of the listed company (RMB) | 17,402,164,190.16 | 13,384,246,683.60 | 30.02%  | 9,673,721,498.15  |

|  |                    |                   |   |                   |
|--|--------------------|-------------------|---|-------------------|
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB) | 17,405,930,787.45  | 13,398,843,689.90 | 29.91%  | 9,642,325,077.81  |
| Net cash flows from operating activities (RMB)   | 23,112,072,040.66  | 12,317,359,034.90 | 87.64%  | 9,766,175,822.66  |
| Basic earnings per share (RMB/share)   | 4.483              | 3.474             | 29.04%  | 2.548             |
| Diluted earnings per share (RMB/share)   | 4.483              | 3.474             | 29.04%  | 2.548             |
| Weighted average return on equity  | 25.26%             | 22.80%            | Increasing by 2.46%   | 19.38%            |
|  | End of Year 2019   | End of Year 2018  | Increase/decrease at the end of the current year compared with the end of the previous year | End of Year 2017  |
| Total assets (RMB)   | 106,396,972,333.66 | 86,094,265,733.09 | 23.58%  | 70,922,626,679.43 |
| Net assets attributable to shareholders of the listed company (RMB)  | 74,290,700,662.22  | 63,487,270,080.56 | 17.02%  | 53,334,081,189.48 |

## VII. Differences in accounting data under the Foreign Accounting Standards and Chinese Accounting Standards

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

### 3. Reasons for differences in accounting data under the Foreign Accounting Standards and Chinese Accounting Standards

Applicable  Not applicable

## VIII. Quarterly key financial highlights

Unit: RMB

|  | 1st Quarter       | 2nd Quarter      | 3rd Quarter      | 4th Quarter       |
|--|-------------------|------------------|------------------|-------------------|
| Operating revenue  | 17,590,253,203.22 | 9,560,791,649.53 | 9,950,587,240.24 | 13,016,473,784.15 |
| Net profit attributable to shareholders of the listed company  | 6,475,113,303.33  | 2,860,524,075.93 | 3,207,909,936.35 | 4,858,616,874.55  |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses | 6,540,037,045.57  | 2,854,311,216.69 | 3,212,022,218.38 | 4,799,560,306.81  |
| Net cash flows from operating activities   | 7,926,569,918.50  | 439,242,710.54   | 7,825,510,025.56 | 6,920,749,386.06  |

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

Yes  No

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

Applicable  Not applicable

Unit: RMB

| Item  | Amount of Year 2019 | Amount of Year 2018 | Amount of Year 2017 | Comments |
|---|---------------------|---------------------|---------------------|----------|
| Gain or loss on disposal of non-current assets (including the write-off part of the provision for impairment of assets)   | -1,571,612.06       | 3,428,495.17        | 3,657,328.20        |          |
| Governmental subsidy recorded in current profit/loss (except those government subsidies, which are closely related to the business of a company and enjoyed in accordance with a certain standard quota or quantity of the state) | 129,760,347.41      | 88,840,102.95       | 35,909,406.36       |          |
| Fund occupation fee collected from non-financial enterprises and recorded in current profit/loss  | 15,503,633.45       | 10,373,763.35       | 4,241,705.60        |          |
| Other non-operating revenue and expenditure except for the aforementioned items   | -135,436,782.11     | -110,025,211.13     | 1,308,010.82        |          |
| Less: Impact on income tax  | -4,831,273.10       | -8,928,533.56       | 9,653,995.55        |          |
| Impact on minority equity (after-tax)   | 16,853,457.08       | 16,142,690.20       | 4,066,035.09        |          |
| Total   | -3,766,597.29       | -14,597,006.30      | 31,396,420.34       | --       |

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



*Non-recurring Profit/Loss*, explain reasons.

Applicable  Not applicable

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

## Section III Summary of Company Business

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

The Company is mainly engaged in liquor production and sales. According to the Guidelines for the Industry Classification of Listed Companies (2012 Revision) issued by China Securities Regulatory Commission, liquor industry belongs to "liquor, beverage, and refined tea manufacturing industry" (C15). The primary business of the Company had no change during the reporting period. "Wuliangye" liquor, main product of the Company, is a typical strong aromatic Chinese spirit of China. The Company also develops series liquor products with complete categories and distinctive nuance, including Wuliang Chun (Spring), Wuliang Chun, Wuliang Te Qu and Tou Qu, Mian Rou Jian Zhuang, to meet the diversified demands of consumers of different levels.

In 2019, with the increasing downward pressure of macroeconomy at home and abroad, the growth rate of the liquor industry slowed down, the competition became more intensive, the concentration ratio of the industry further increased, and the competitive advantages of famous liquor enterprises were highlighted. During the reporting period, the Company seized the new development opportunities and increased the brand value significantly through the marketing organization reform, product iteration and upgrading, digital transformation, and other reform measures, further consolidating its leading position in the strong aromatic Chinese spirits market.

### II. Major changes in main assets

#### 1. Major changes in main assets

Applicable  Not applicable

#### 2. Main overseas assets

Applicable  Not applicable

### III. Analysis of core competitiveness

Does the Company need to comply with the disclosure requirements for special industry?

No

**The Company has six unique advantages, and these constitute the traditional core-competitiveness of Wuliangye.** 1) Wuliangye's natural, ecological environment makes it unique; 2) The unique 600-years microbiota of its ancient caves has been growing continuously since the Ming Dynasty to the present day; 3) The high-quality, world-famous Wuliangye is brewed with five unique grain formulas; 4) It uses unique brewing technologies and has a unique microbial zone within the Wuliangye Ten-Mile Liquor City; 5) The unique, harmonious quality of Wuliangye makes it a typical

representative of Chinese culture; 6) The scale of the unique “Ten-Mile Liquor City” enables Wuliangye’s brand value to rank the top in the liquor industry.

**In 2019, the Company took various simultaneous measures to actively promote organizational reform, strengthen digital transformation, optimize product systems, and construct a quality, product lifecycle management system. In doing so, it improved its marketing capability, its brand-equity, and it strengthened core competitiveness.**

The Company first focused on building a new factory-trader relationship. It strengthened market reform and digital transformation, and then made further improvements to its marketing and service control. The marketing organization became more professional and streamlined, which in turn helped improving the capabilities of the marketing team. The Company has been speeding up its digital transformation, and was honored as a "Model of Experiential Marketing", which could be deemed as the market's affirmation of Wuliangye's efforts in digital transformation.

The Company then focused on creating a better life for consumers. It has been enhancing its technology innovation, traceability management and process control, improving its ability to strictly control product quality and supply capability. The Company constructed a number of high-level research platforms to continuously improve technological innovation. The Company enhanced its grain supply by strengthening production base construction, and vigorously promoted a product traceability management system centered on the supply of special grains. It founded the “Specialist Brewing Grain Technological Research Center” in Sichuan. This was the first domestic research platform above provincial level in this field and academician Yuan Longping was invited to serve as a consultant at the center. The center aims to strengthen research and joint efforts in breeding and improving special brewing grains. The Company strengthened its process controls through internal system construction, promoted the efficiency of a total quality management system, and increased the yield of high-quality liquor continuously.

Finally, the Company focused on implementing the “three characteristics and one recognition” requirements to improve product mix and promote brand culture. During the reporting period, Wuliangye continuously optimized its product mix, continuously reshaped the liquor brand matrix series, and set up the Wuliangye Culture Research Institute. It continuously promoted brand culture, coordinated traditional and new media advertisement, strengthened communication through key projects and major events, and actively promoted the Company internationally. All these activities strengthened Wuliangye's brand reputation, lifting the brand value and influence continuously.

## Section IV Discussion and Analysis of Operation

### I. Overview

In 2019, the global economy was full of uncertainties. The Sino-US trade war was at deadlock, the exchange rate was changing frequently, the environment for domestic and international trade was complex and grim - as was the macroeconomic situation, and the overall market was full of challenges. However, two things remained unchanged. There was an overall trend of transforming and upgrading domestic consumption, and a more specific trend to concentrate on famous and high-quality liquor enterprises in the liquor industry. During the reporting period, the Company kept up with new trends in the market, seized new development opportunities, set new requirements for high-quality development, focused on strengthening its weak points, gave play to strong points, and reached a new momentum by upgrading. It pushed forward the “second entrepreneurship” ideology, and achieved record-high business performance, reaching annual sales over RMB ten billion for three consecutive years. In 2019, the Company's operating revenue increased 25.20% year-on-year, reaching RMB 50.118 billion. The net profit attributable to shareholders of the listed company reached RMB 17.402 billion, with 30.02% year-on-year growth.

In 2019, the Company adjusted its strategy and optimized measures to deepen structural reform at the supply-side. It improved its shortcomings, strengthened its advantages, and made significant improvements to its brand image, product quality and marketing capability.

#### **1. Focus on optimizing product mix and promoting the brand culture; brand influence expanded significantly.**

1) The Company optimized the Wuliangye product system in order to provide top-quality, aromatic spirits. During the reporting period, the Company successfully launched the eighth-generation version of the classic Wuliangye, which is warmly welcomed by the market, and its market price rose steadily to over RMB 1,000 per bottle. The product focused on meeting consumers' demand for a better life, and took advantages of its centuries-old (dated back to Ming and Qing dynasty) cellars. The Company designated workshops, cellars and craftsmen to strategically create a luxury 501 model of the classic Wuliangye. In accordance with the Company's global strategy, it signed strategic cooperation agreements with Pernod Ricard and other internationally-renowned wine enterprises to initiate R&D for an international Wuliangye product.

2) The Company set up a system for its series liquor products and continued remodeling its brand

matrix. The Company continued to downsize high-imitation products that had seriously undermined the brand value of Wuliangye. Instead it focused on building four nationwide products: Wuliang Chun (Spring), Wuliang Chun, Wuliang Te Qu, and Jian Zhuang. It adhered to the principle of “focusing on medium and high-end products, on self-owned brand, and on its core brand”, to ensure its brands with diversified images, distinctive values and recognizable price bracket.

3) The Company increasingly promoted brand awareness to show the new image of Wuliangye liquor. Sticking to the brand positioning of “Strong Aromatic Spirits of Great Power, Liquor Magnate of China” and digging deeply the brand connotation of “Essence of Nature, National Spirit, Wonderful World”, the Company highlighted advantages of the cellars of Wuliangye, technological advantages, formula advantages and other core elements, and told the Wuliangye story. The Company effectively combined traditional and new media to coordinate advertising, strengthened brand promotion through a series of key projects and major events, and further enhanced its international reputation and brand influence by participating in the China International Import Expo and other international events. During the reporting period, the Company was successfully recognized by the UN as a symbolically Chinese brand. Wuliangye ranked 302nd in the World Brand Lab’s 500 Most Influential Worldwide Brands, rising 24 places from the previous year. It also ranked 40th in Asia’s 500 Most Influential Brands, rising eight places from the previous year. It ranked 19th in China’s 500 Most Valuable Brands, rising one place from the previous year.

## **2. Focus on platform construction, traceability management and process controls; product quality improved significantly.**

1) The Company promoted the construction of a technological platform to strengthen innovation. The Company insisted on combining tradition with innovation, and, in order to improve Wuliangye’s quality, it vigorously promoted the construction of a of a science and technology innovation platform to increase R&D on brewing ecology and technology, and on liquor flavors. During the reporting period, the Company newly established a range of top research platforms to ensure improvements in liquor quality, including the Sichuan Brewery Special Grain Engineering Research Center and the Provincial Sichuan Solid Fermentation Liquor Brewing Engineering Research Center.

2) The Company upgraded its grain production base to guarantee a better grain supply. The Company sped up the upgrade and construction of a special brewing grain production base. It vigorously promoted the construction of a traceability management system for its products, centered on special grain supplies. It built a "from seed to liquor" product lifecycle quality system, allowing it to pre-inspect,

trace, and control grain supply and ensure the quality and stability.

3) The Company built a quality management system and strengthened its process control. The Company promoted the efficient operations of its total quality management system to establish an all-round production monitoring and ensure a steady growth of its first-class liquor output.

**3. Focus on market reform, digital transformations, and marketing team construction; marketing capabilities improved significantly.**

1) The Company reformed its marketing department to improve its market responsiveness. During the reporting period, the Company completely the transformation from traditional marketing to modern marketing, realizing the "specializations horizontally and flat management vertically". Wuliangye's headquarters reformed its Brand Department, and each region reformed by carrying out flat management and decentralizations. The regions were divided into 21 marketing areas and 60 marketing bases, significantly improving their capabilities to explore the market. Series liquor companies, including the original Series Liquor, Te Qu and Tou Qu, and Wuliang Chun, were restructured and integrated into the newly established Wuliang Nongxiang Company, allowing a more collaborative management, more concentrated resources, and more rapid market responses.

2) The Company promoted marketing digitalization and strengthened its marketing efforts. The Company successively signed strategic cooperation agreements with Alibaba, Huawei and a number of other companies. It made full use of the advantages of each party to transform itself into a digitally marketing enterprise. The Company established a digital marketing system, and successfully introduced modes for trading controls and profit divisions. It mastered the purchase, sale/deals of stock in real-time by adopting a layer-by-layer binding and code-scanning system, allowing it to monitor channel sales transparently, to monitor channel abnormalities in real-time, and to establish a highly coordinated channel system. The Company established a preliminary closed-loop management system for digitalization between headquarters and regional divisions, and it systematically improved the coordination and execution of its marketing efforts.

3) The Company expanded its marketing team, optimized their structures, and enhanced team members' capabilities. The Company supplemented 452 salesmen and 500 visiting salesmen by openly recruiting and selecting individuals on a level-by-level basis. The series liquor companies also introduced 181 salesmen, and the staff structure were optimized in terms of ages, professional ability, and work experience. The marketing team's ability in understanding the market, getting closer to consumers, and serving dealers has been significantly improved.

**4. Focus on developing key projects, such as expanding production, storage, and the packaging capacity; open doors for future development opportunities.**

During the reporting period, the Company actively promoted key projects that brought benefits and laid a foundation for future opportunities. 300-thousand-ton pottery jar aging spirit room (phase I), and renovation of Workshop 503 have been completed; the liquor packaging and integrated smart storage-and-delivery project, the technological innovation project for storing blended liquor, and the supporting infrastructure project at Hongba New Park have been commenced; preparations have been made for a special processing tank for making liquor grains, and a project is underway for an automatic grinding machine; the Company has carried out construction at the ecological park and at the 5A scenic area.

**5. Focus on ensuring safe production, saving energy and protecting the environment, providing assurances that development is of the highest quality.**

During the reporting period, the Company's production sector had no safety incidents, or incidents that caused serious injury or death. For 35 consecutive years, it has had no fire accidents. The Company actively promoted key environmental protection projects including a centralized sewage treatment system and a comprehensive treatment program for the Songgong River. It completed pipe network reconstruction project of Jiangbei Park, Phase III of energy saving and emission reduction from coal to gas project; The Company discharged 100% of its "three wastes" according to the most recent standards, and experienced no minor/major environmental pollution accidents throughout the year. The Company was honored for three consecutive years as a "Sichuan Environmental Integrity Enterprise", honored as one of the first "Sichuan Comprehensive Industrial Resources Enterprises", and won the brand award as a "Sichuan Energy Conservation and Environmental Protection Model".

**6. Focus on corporate governance and strengthening information disclosure; significantly optimized the Company's image in the capital market.**

During the reporting period, the Company had standardized its methods of information disclosure according to relevant laws, continued to optimize investor relations management mechanism, and further expanded the scope and come up with innovative ways for communicating with investors. These measures were met with unanimous approval from the regulatory authorities and investors. For five consecutive years, the Company was graded Level A (the highest level) in its information disclosure assessment by the Shenzhen Stock Exchange. It won multiple awards, including the "Best Round Table Board" for its Directors & Boardroom Staff, the "Best Board Prize" at the National Business Daily's 2019

Listed Chinese Companies Awards, and CNR's Most Trustworthy Listed Company to Investors in 2018. It was also listed as a top enterprise on the "2018 Enterprises for Annual Activities" list, on p5w.net's "Listed Enterprises for IR interactions", and Xueqiu.com's "Best Listed Company for Investor Relations".

## II. Analysis of primary business

### 1. Overview

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

### 2. Revenue and cost

#### (1) Operating revenue composition

Unit: RMB

|                            | Year 2019         |                                 | Year 2018         |                                 | Year-on-year increase/decrease |
|----------------------------|-------------------|---------------------------------|-------------------|---------------------------------|--------------------------------|
|                            | Amount            | Proportion in operating revenue | Amount            | Proportion in operating revenue |                                |
| Total operating revenue    | 50,118,105,877.14 | 100%                            | 40,030,189,599.87 | 100%                            | 25.20%                         |
| By industry                |                   |                                 |                   |                                 |                                |
| Manufacturing industry     | 50,118,105,877.14 | 100%                            | 40,030,189,599.87 | 100%                            | 25.20%                         |
| By product                 |                   |                                 |                   |                                 |                                |
| Liquors                    | 46,301,838,985.74 | 92.39%                          | 37,751,933,113.60 | 94.31%                          | 22.65%                         |
| Including: High-end liquor | 39,670,724,562.67 | 79.15%                          | 30,189,147,385.40 | 75.42%                          | 31.41%                         |
| Middle-and low-end liquor  | 6,631,114,423.07  | 13.23%                          | 7,562,785,728.20  | 18.89%                          | -12.32%                        |
| Plastic products           | 2,540,536,361.21  | 5.07%                           | 1,851,618,283.27  | 4.63%                           | 37.21%                         |
| Printing                   | 124,811,258.13    | 0.25%                           | 54,501,116.15     | 0.14%                           | 129.01%                        |
| Glass bottle               | 194,271,586.53    | 0.39%                           | 97,655,529.08     | 0.24%                           | 98.94%                         |
| Others                     | 956,647,685.53    | 1.91%                           | 274,481,557.77    | 0.68%                           | 248.53%                        |
| By region                  |                   |                                 |                   |                                 |                                |
| Domestic                   | 50,118,105,877.14 | 100%                            | 40,030,189,599.87 | 100%                            | 25.20%                         |

Remarks:

1. High-end liquor: refers to main products with selling price (tax inclusive) of RMB 120 and above among the alcohol products (500ml/bottle) of the Company;

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



**(2) Industries, products or regions that account for more than 10% of the Company's operating revenue or profit**√ Applicable  Not applicable

Unit: RMB

|   | Operating revenue | Operating cost   | Gross profit | Year-on-year increase/decrease in operating revenue | Year-on-year increase/decrease in operating cost | Year-on-year increase/decrease in gross profit |
|---|-------------------|------------------|--------------|---|--|--|
| By industry                                 |                   |                  |              |   |  |  |
| Manufacturing industry (liquor and spirits) | 46,301,838,985.74 | 9,284,024,693.66 | 79.95%       | 22.65%  | 9.73%  | 2.36%  |
| By product                                  |                   |                  |              |   |  |  |
| Liquors                                     | 46,301,838,985.74 | 9,284,024,693.66 | 79.95%       | 22.65%  | 9.73%  | 2.36%  |
| Including: High-end liquor                  | 39,670,724,562.67 | 6,113,455,671.70 | 84.59%       | 31.41%  | 29.05%   | 0.28%  |
| Middle-and low-end liquor                   | 6,631,114,423.07  | 3,170,569,021.96 | 52.19%       | -12.32%   | -14.84%  | 1.42%  |
| By region                                   |                   |                  |              |   |  |  |
| Domestic (liquor and spirits)               | 46,301,838,985.74 | 9,284,024,693.66 | 79.95%       | 22.65%  | 9.73%  | 2.36%  |

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

 Applicable √ Not applicable**(3) Whether the Company's revenue from physical sales is greater than income from labors**√ Yes  No

| Industry classification | Item         | Unit | Year 2019 | Year 2018 | Year-on-year increase/decrease |
|-------------------------|--------------|------|-----------|-----------|--------------------------------|
| Liquors                 | Sales volume | Ton  | 165,411   | 191,596   | -13.67%                        |
|                         | Production   | Ton  | 168,272   | 191,968   | -12.34%                        |
|                         | Inventory    | Ton  | 15,831    | 12,970    | 22.06%                         |

Remarks: The above items are the sales volume, production and inventory of commodity liquor.

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

Applicable  Not applicable

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

Applicable  Not applicable

**(5) Operating cost composition**

Unit: RMB

| Industry classification | Item                   | Year 2019        |                              | Year 2018        |                              | Year-on-year Increase/decrease |
|-------------------------|------------------------|------------------|------------------------------|------------------|------------------------------|--------------------------------|
|                         |                        | Amount           | Proportion in operating cost | Amount           | Proportion in operating cost |                                |
| Manufacturing industry  | Raw materials          | 6,409,107,723.74 | 50.06%                       | 5,376,901,123.42 | 51.27%                       | -1.21%                         |
|                         | Salary                 | 4,228,023,628.65 | 33.03%                       | 3,144,553,451.80 | 29.99%                       | 3.04%                          |
|                         | Energy                 | 957,955,244.56   | 7.48%                        | 825,023,634.74   | 7.87%                        | -0.39%                         |
|                         | Manufacturing expenses | 1,207,173,350.39 | 9.43%                        | 1,140,304,724.31 | 10.87%                       | -1.44%                         |

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

Yes  No

On June 20, 2019, the Company and Wuliangye Group, as reviewed and approved by the 5th board of directors of the Company, jointly funded and established "Wuliang NongXiang Series Baijiu Yibin Co., Ltd.", of which the registered capital was RMB 100 million. The Company contributed RMB 95 million, taking up 95% of the registered capital; Wuliangye Group contributed RMB 5 million, taking up 5% of the registered capital; and Wuliang NongXiang Series Baijiu Yibin Co., Ltd. was included in the consolidation scope of the Company since its establishment.

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

Applicable  Not applicable

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

Major sales customers of the Company

|  |                  |
|--|------------------|
| Total sales amount of top five customers (RMB)                                   | 6,656,074,707.73 |
| Proportion of total annual sales of top five customers in total annual sales     | 13.28%           |
| Proportion of related parties in total annual sales among the top five customers |                  |

Top 5 customers of the Company

| No.   | Customer name | Sales amount (RMB) | Proportion in total annual sales |
|-------|---------------|--------------------|----------------------------------|
| 1     | No.1          | 2,655,336,333.53   | 5.30%                            |
| 2     | No.2          | 1,454,245,831.36   | 2.90%                            |
| 3     | No.3          | 1,068,964,918.81   | 2.13%                            |
| 4     | No.4          | 768,878,910.41     | 1.53%                            |
| 5     | No.5          | 708,648,713.62     | 1.41%                            |
| Total | --            | 6,656,074,707.73   | 13.28%                           |

Other information of major customers

Applicable  Not applicable

Major suppliers of the Company

|  |                  |
|--|------------------|
| Total purchase amount from top five suppliers (RMB)  | 2,024,585,007.42 |
| Proportion in total annual purchase amount for top five suppliers  | 21.17%           |
| Proportion of the purchase from related parties in total annual purchase amount among the top five customers | 3.16%            |

Top 5 suppliers of the Company

| No.   | Supplier name | Purchase amount (RMB) | Proportion in total annual purchase amount |
|-------|---------------|-----------------------|--|
| 1     | No.1          | 501,920,162.34        | 5.25%                                      |
| 2     | No.2          | 423,809,746.69        | 4.43%                                      |
| 3     | No.3          | 412,501,721.08        | 4.31%                                      |
| 4     | No.4          | 384,370,000.10        | 4.02%                                      |
| 5     | No.5          | 301,983,377.21        | 3.16%                                      |
| Total | --            | 2,024,585,007.42      | 21.17%                                     |

Other information of major suppliers

Applicable  Not applicable

### 3. Expenses

Unit: RMB

|                                  | Year 2019         | Year 2018         | Year-on-year increase/decrease | Note on major changes  |
|----------------------------------|-------------------|-------------------|--------------------------------|--|
| Selling expenses                 | 4,985,579,336.77  | 3,778,433,675.01  | 31.95%                         | Caused by increase of product propaganda and marketing expenses due to marketing organization reform, marketing system transformation and upgrading, core product upgrading and updating |
| Administrative expenses          | 2,655,347,148.09  | 2,340,498,705.44  | 13.45%                         |  |
| Financial expenses               | -1,430,745,865.74 | -1,085,010,763.65 | Not applicable                 | Caused by combined influence of the increase of average stock of cash and cash equivalents and the rising of funds management benefits   |
| Research and development expense | 126,360,421.11    | 84,082,506.26     | 50.28%                         | Caused by increase of research and development investment by the Company according to the market demands   |

#### 4. Research and development investment

Applicable  Not applicable

##### 1. Purpose of the R&D project

In 2019, the Company continued its R&D work. It researched the application of solid, fermented microorganisms to Chinese spirits, carried out risk assessment into liquor as a consumable, and researched the application of intelligent brewing technologies. It also researched the technologies for liquor analysis, brewing technologies and developing new products. It did this to provide support at the supply side.

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

There are 43 independent R&D projects, including "Researching the Substances for Ensuring the Characteristic Flavor of Strong, Aromatic Chinese Spirits", "Researching the Special Brewing Grains for Wuliangye", "Developing Functional Microbial Technologies to Improve the Quality of Strong, Aromatic Chinese Spirits", "Researching the Technologies to Adjust/Control the Acid Formation on Distilled Grains in the Wuliangye Cellars", and "Developing an Intelligent Brewing Production Line and Researching Supporting Technologies". All of these projects have been carried out on schedule. The Alcoholic Drinks Association awarded the Company third prize for "Progress in Chinese Science". It made two major technological breakthroughs, and was granted RMB 2.6 million by the government for special funding. It obtained patents for five new inventions, and has published 21 science and technology articles.

The Company plans to collect the resources for solid fermentation that can be applied to strong, aromatic Chinese spirits. It has assessed the existing resources and how they are utilized, so that it can improve the rate of producing quality products, ensure food safety, and consolidate the Company's position as a leader in strong aromatic Chinese spirits.

Research and development investment of the Company:

|  | Year 2019      | Year 2018     | Proportion of change |
|--|----------------|---------------|----------------------|
| Number of research and development personnel (person)  | 2,719          | 2,680         | 1.46%                |
| Proportion of research and development personnel   | 10.32%         | 10.19%        | 0.13%                |
| Research and development investment (RMB)  | 126,360,421.11 | 84,082,506.26 | 50.28%               |
| Proportion of research and development investment in operating revenue                               | 0.25%          | 0.21%         | 0.04%                |
| Capitalized amount of research and development investment (RMB)                                      | 0.00           | 0.00          | 0.00%                |
| Proportion of capitalized research and development investment in research and development investment | 0.00%          | 0.00%         | 0.00%                |

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

Applicable  Not applicable

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

Applicable  Not applicable

## 5. Cash flow

Unit: RMB

| Item   | Year 2019         | Year 2018         | Year-on-year increase/decrease |
|--|-------------------|-------------------|--------------------------------|
| Sub-total of cash inflows from operating activities  | 64,604,503,080.77 | 47,286,315,224.60 | 36.62% (Note 1)                |
| Sub-total of cash outflows from operating activities | 41,492,431,040.11 | 34,968,956,189.70 | 18.66%                         |
| Net cash flows from operating activities             | 23,112,072,040.66 | 12,317,359,034.90 | 87.64% (Note 1)                |
| Sub-total of cash inflows from investing activities  | 92,050,811.98     | 49,824,966.23     | 84.75%                         |

|  |                   |                   |                         |
|--|-------------------|-------------------|-------------------------|
| Sub-total of cash outflows from investing activities | 1,708,455,125.66  | 381,381,461.74    | 347.96% (Note 2)        |
| Net cash flows from investing activities             | -1,616,404,313.68 | -331,556,495.51   | Not applicable (Note 2) |
| Sub-total of cash inflows from financing activities  |                   | 1,813,717,926.36  | -100.00% (Note 3)       |
| Sub-total of cash outflows from financing activities | 7,251,646,962.56  | 5,431,641,453.13  | 33.51% (Note 4)         |
| Net cash flows from financing activities             | -7,251,646,962.56 | -3,617,923,526.77 | Not applicable (Note 5) |
| Net increase in cash and cash equivalents            | 14,244,084,425.84 | 8,368,245,492.17  | 70.22% (Note 6)         |

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

Applicable  Not applicable

Note 1: Due to the increase in income from liquor products in current year, increase of cash received from maturity of bank acceptance bill, early payment by dealers during the Spring Festival, and other factors;

Note 2: Due to the increase in cash payments to acquire and construct fixed assets in current year;

Note 3: Due to funds raised by non-public offering of shares in 2018;

Note 4: Due to the dividend distribution in 2019 was higher than that of the same period in 2018;

Note 5: Due to the combined influence of the dividend distribution in 2019 being higher than that of the same period in 2018 and the funds received from non-public offering of shares in 2018;

Note 6: Due to the increase in net cash flows from operating activities in current year.

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

Applicable  Not applicable

### III. Analysis of non-primary business

Applicable  Not applicable

### IV. Analysis of assets and liabilities

#### 1. Significant changes in asset composition

Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new financial instrument standards, new income standards and new lease standards by the Company from 2019

Applicable  Not applicable

Unit: RMB

|  | End of Year 2019 |                               | Beginning of Year 2019 |                                  | Increase/<br>decrease in<br>proportion | Note on major<br>changes |
|--|------------------|-------------------------------|------------------------|----------------------------------|--|--------------------------|
|  | Amount           | Proportion in<br>total assets | Amount                 | Proportion<br>in total<br>assets |  |                          |
|  |                  |                               |                        |                                  |  |                          |

|                             |                   |        |                   |        |        |  |
|-----------------------------|-------------------|--------|-------------------|--------|--------|--|
| Cash and cash equivalents   | 63,238,825,723.79 | 59.44% | 48,960,048,897.95 | 56.87% | 2.57%  |  |
| Accounts receivable         | 134,449,693.03    | 0.13%  | 127,331,336.97    | 0.15%  | -0.02% |  |
| Inventory                   | 13,679,619,615.41 | 12.86% | 11,795,461,088.43 | 13.70% | -0.84% |  |
| Long-term equity investment | 1,021,778,731.59  | 0.96%  | 919,477,978.54    | 1.07%  | -0.11% |  |
| Fixed assets                | 6,108,745,912.72  | 5.74%  | 5,262,163,428.02  | 6.11%  | -0.37% |  |
| Construction in progress    | 812,428,248.30    | 0.76%  | 351,993,452.86    | 0.41%  | 0.35%  |  |

## 2. Assets and liabilities measured at fair value

√ Applicable □ Not applicable

Unit: RMB

| Item  | Beginning amount | Profit or loss from changes in fair value in current period | Accumulated changes in fair value reckoned into equities | Impairment provided in current period | Purchase amount in current period | Amount of sales in current period | Other changes    | Ending amount    |
|---|------------------|---|--|---------------------------------------|-----------------------------------|-----------------------------------|------------------|------------------|
| Financial assets  |                  |   |  |                                       |                                   |                                   |                  |                  |
| 1. Trading financial assets (excluding derivative financial assets) |                  |   |  |                                       |                                   |                                   |                  |                  |
| 2. Derivative financial assets                                      |                  |   |  |                                       |                                   |                                   |                  |                  |
| 3. Other debt investments   |                  |   |  |                                       |                                   |                                   |                  |                  |
| 4. Other equity instrument investment                               |                  |   |  |                                       |                                   |                                   |                  |                  |
| 5. Accounts receivable financing                                    | 2,269,711,750.31 |   |  |                                       |                                   |                                   | 1,180,454,908.75 | 3,450,166,659.06 |
| Sub-total of financial assets                                       | 2,269,711,750.31 |   |  |                                       |                                   |                                   | 1,180,454,908.75 | 3,450,166,659.06 |
| Investment properties   |                  |   |  |                                       |                                   |                                   |                  |                  |
| Productive biological assets  |                  |   |  |                                       |                                   |                                   |                  |                  |
| Others  |                  |   |  |                                       |                                   |                                   |                  |                  |
| Sum of the above items  | 2,269,711,750.31 |   |  |                                       |                                   |                                   | 1,180,454,908.75 | 3,450,166,659.06 |
| Financial liabilities   |                  |   |  |                                       |                                   |                                   |                  |                  |

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

reporting period?

Yes  No

### 3. Limitation on the assets and rights as of the end of the reporting period

Applicable  Not applicable

Unit: RMB

| Item                          | Ending book value | Reasons for limitation   |
|-------------------------------|-------------------|--|
| Cash and cash equivalents     | 99,996,480.91     | Deposit of bank acceptance bill of RMB 99,754,080.91 and other deposits of RMB 242,400.00. |
| Accounts receivable financing | 144,514,604.00    | Pledge of bank acceptance bill   |
| Total                         | 244,511,084.91    |  |

## V. Analysis of investment

### 1. General situation

Applicable  Not applicable

### 2. The significant equity investment obtained during the reporting period

Applicable  Not applicable

### 3. The significant non-equity investment being carried out during the reporting period

Applicable  Not applicable

### 4. Financial assets investment

#### (1) Note on investment situation

Applicable  Not applicable

The Company had no securities investment during the reporting period.

#### (2) Note on derivative investment

Applicable  Not applicable

The Company had no derivative investment during the reporting period.

### 5. Use of funds raised

Applicable  Not applicable

#### (1) Overall Use of funds raised

Applicable  Not applicable



Unit: RMB '0,000

| Raising Year  | Raising Means                 | Funds raised Total | Funds raised used in current period Total | Total funds raised used Total | Total funds raised of which the purpose has been changed during the reporting period | Total funds raised of which the purpose has been changed | Proportion of the total funds raised of which the purpose has been changed | Total funds raised which have not been used | Purpose and allocation of funds raised which have not been used  | Funds raised which has been idle for more than two years |
|---|-------------------------------|--------------------|---|-------------------------------|--|--|--|---|--|--|
| Year 2018   | Non-public offering of shares | 185,327.74         | 12,872.58                                 | 15,605.81                     |  |  |  | 169,721.93                                  | In addition to fixed deposit or call deposit, the funds raised which have not been used by the Company remained on the special account for funds raised and would be used for the investment projects of the funds raised. |  |
| Total   | --                            | 185,327.74         | 12,872.58                                 | 15,605.81                     |  |  |  | 169,721.93                                  | --   |  |
| Description of overall use of funds raised  |                               |                    |   |                               |  |  |  |   |  |  |
| During the reporting period, the Company actually paid RMB 30.3497 million for the information construction project; RMB 35.9607 million for the marketing center construction project; and RMB 62.4154 million for the service-oriented E-commerce platform project. |                               |                    |   |                               |  |  |  |   |  |  |

Remark: The Company raised RMB 1.8532774 billion in total through this fund raising, and actually raised RMB 1.8127379 billion after deducting the issuing and undertaking expenses of RMB 40.5395 million.

## (2) Projects promised to be invested with funds raised

√ Applicable □ Not applicable

Unit: RMB '0,000

| Committed investment projects and allocation of over-raised funds | Whether the project has been changed (including partial change) | Total amount of committed investment of the funds raised | Total investment amount after adjustment (1) | Investment in the reporting period | Accumulated investment as of the end of the period (2) | Investment progress as of the end of the period (3) = (2)/(1) | Date on which the project reaches the expected usable condition | Income realized in the reporting period | Whether reach the expected income | Is there any significant change in feasibility of the project |
|---|---|--|--|------------------------------------|--|---|---|---|-----------------------------------|---|
| Committed investment projects                                     |   |  |  |                                    |  |   |   |   |                                   |   |
| Information construction  | No  | 71,530   | 71,530                                       | 3,034.97                           | 5,420.21   | 7.58%   |   |   |                                   |   |
| Construction of marketing center                                  | No  | 50,793   | 50,793                                       | 3,596.07                           | 3,944.06   | 7.76%   |   |   |                                   |   |

|  |   |         |         |           |           |       |    |  |    |    |
|--|---|---------|---------|-----------|-----------|-------|----|--|----|----|
| Service-oriented E-commerce platform   | No  | 63,074  | 63,074  | 6,241.54  | 6,241.54  | 9.90% |    |  |    |    |
| Sub-total of committed investment projects   | --  | 185,397 | 185,397 | 12,872.58 | 15,605.81 | --    | -- |  | -- | -- |
| Allocation of over-raised funds  |   |         |         |           |           |       |    |  |    |    |
| Total  | --  | 185,397 | 185,397 | 12,872.58 | 15,605.81 | --    | -- |  | -- | -- |
| Note on and reason for not reaching the scheduled progress or expected income (based on specific projects) | The digital transformation of the Company is continuing, and specific projects need to be implemented stage by stage.   |         |         |           |           |       |    |  |    |    |
| Description of any significant change in feasibility of the project  | Not applicable  |         |         |           |           |       |    |  |    |    |
| Amount, purpose, and application progress of over-raised funds   | Not applicable  |         |         |           |           |       |    |  |    |    |
| Change of implementation place of investment projects with the funds raised                                | Not applicable  |         |         |           |           |       |    |  |    |    |
| Adjustment of means of implementation of investment projects with the funds raised                         | Not applicable  |         |         |           |           |       |    |  |    |    |
| Early investment and replacement of investment projects with the funds raised                              | Not applicable  |         |         |           |           |       |    |  |    |    |
| Note on making up working capital temporarily with idle funds raised                                       | Not applicable  |         |         |           |           |       |    |  |    |    |
| Amount and cause of balance of funds raised after implementation of the project                            | Not applicable  |         |         |           |           |       |    |  |    |    |
| Purpose and allocation of funds raised which have not been used  | As of December 31, 2019, in addition to fixed deposit or call deposit, the funds raised which have not been used by the Company remained on the special account for funds raised and would be used for the investment projects of the funds raised. |         |         |           |           |       |    |  |    |    |
| Problems or other information about application and disclosure of the funds raised                         | Refer to the special report on deposit of funds raised and actual use   |         |         |           |           |       |    |  |    |    |

**(3) Changes of projects with the funds raised**

Applicable  Not applicable

The Company had no change of projects with the funds raised during the reporting period.

**VI. Sales of significant assets and equities****1. Sales of significant assets**

Applicable  Not applicable

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

**2. Sales of significant equities**

Applicable  Not applicable

**VII. Analysis of main holding and JV companies**

Applicable  Not applicable

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

Unit: RMB

| Company name                           | Company type | Primary business   | Registered capital | Total assets      | Net assets        |
|--|--------------|--|--------------------|-------------------|-------------------|
| Yibin Wuliangye Liquor Sales Co., Ltd. | Subsidiary   | Liquor sales, liquor import and export business and agency | 200,000,000.00     | 43,847,842,961.59 | 20,836,104,933.89 |

| Company name                           | Company type | Primary business   | Operating revenue | Operating profit  | Net profit        |
|--|--------------|--|-------------------|-------------------|-------------------|
| Yibin Wuliangye Liquor Sales Co., Ltd. | Subsidiary   | Liquor sales, liquor import and export business and agency | 46,559,665,282.40 | 20,342,581,806.17 | 15,289,221,216.27 |

Acquisition and disposal of subsidiaries during the reporting period

Applicable  Not applicable

| Company name | Means of acquisition and disposal of subsidiaries during the reporting period | Impact on overall production, operation and performance |
|--------------|---|---|
|              |   |   |

|   |               |   |
|---|---------------|---|
| Wuliang NongXiang Series Baijju Yibin Co., Ltd. | Establishment | Integrate the original Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd., and Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd. to optimize organization structure of the series liquor and focus on core products of the series liquor, which will benefit overall long-term development of the Company |
|---|---------------|---|

### VIII. Structured entities controlled by the Company

Applicable  Not applicable

### IX. Prospect of future development of the Company

#### (I) Industrial pattern and trend

In 2020, the downward pressure of domestic economy further increases due to the impact of COVID-19, but the fundamentals and basic trend of steady long-term economic growth remain unchanged. The production volume, revenue and total profit of the liquor industry maintain the growth trend, but the production capacity is still in excessive and the competition pattern of extruded growth will exist in long term. The liquor industry is still in the long cycle of a new round of growth characterized by structural prosperity, in which high-end liquor will continue to lead the structural growth of the industry and the industry will be further concentrated on superior brands, superior enterprises and superior producing areas.

#### (II) Development strategy of the Company

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

#### (III) Completion of the business plan 2019

1. Beginning plan: Operating revenue of RMB 50 billion in 2019, keeping the growth of about 25%.
2. Actual completion: In 2019, the Company's operating revenue reached RMB 50.118 billion, with year-on-year growth of 25.20%.

#### (IV) 2020 Business Plan

The year 2020 will be crucial. The Company will continue to reform in line with the final year of the "13th Five-Year Plan". It will also lay the foundation for stepping into a post-hundred billion era, becoming one of the Global 500 companies, and building a first-class, international enterprise. Under Xi Jinping's guiding principle of "socialism with Chinese characteristics", the Company will enter a new era and fully implement a series of important instructions that were outlined for Sichuan at the 19th National Congress of the Communist Party of China. General Secretary Xi insisted on the general principle of

seeking progress while keeping performance stable. He called for a new concept of development, and that organizations continue to "strengthen weak points, give play to strong points, and upgrade with new momentum". The Company aims to improve in quality and control, to promote new development and to digitally transform while continuously increasing its revenue.

The Company's business objective for 2020: double-digit growth for the total operating revenue.

To ensure that the Company successfully achieves its business objectives, it is attaching great importance to the following tasks: 1) Strengthening the management of production, building a quality management system for the lifecycle of the product, and ensuring that production improves in quality and efficiency; 2) Strengthening the brand and inflating the brand value of Wuliangye by continuing to improve the production system with the four strategic products (Wuliangye "1+3" products and the series liquor); 3) Strengthening the marketing system by carrying out strategic planning, creating channels, structurally optimizing the mechanisms of teams, digitalization, and building a responsive marketing system; 4) Constructing and promoting key projects that involve liquor packaging, intelligent storage, delivery integration, special grain processes and automated grinding machinery, while carrying out technological innovation into how to store blended liquor and increase the Company's capacity and scale; 5) Vigorously promoting reforms in institutions and compensation systems, motivating the Company to develop with vitality.

#### **(V) Potential risks**

1. The risk of uncertain macroeconomic growth. With the impact of the COVID-19, there has been an intense, downward trend in the international and domestic economy; the Company will pay close attention to the domestic macroeconomic situation, strengthen its monitoring and research, and prepare a risk response plan.

2. The risk of more intense industrial competition. In recent years, consumption habits have transformed, and the Company needs to reform accordingly, by strengthening its weaknesses, highlighting its strong points, and finding new driving forces, to improve its core competitiveness.

3. The risk of changes to consumer demands. The Company needs to conduct more market survey and adjust its business strategy, adapting to changes in consumer demands and meeting the more diversified demands of consumers.

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

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

Applicable  Not applicable

| Date of reception                                       | Way of reception           | Type of interviewees        | Basic information index of the survey   |
|---|----------------------------|-----------------------------|---|
| January 11, 2019 (Hong Kong)                            | Communication              | Organization                | CNINFO<br>( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) |
| January 23, 2019  | Field survey               | Organization                |   |
| February 18, 2019                                       | Field survey               | Organization                |   |
| May 10, 2019<br>(Annual General Meeting 2018)           | Field survey               | Organization,<br>individual |   |
| May 15, 2019  | Field survey               | Organization                |   |
| May 20, 2019  | Telephone<br>communication | Organization                |   |
| May 23, 2019  | Field survey               | Organization                |   |
| May 23, 2019 (Beijing)                                  | Communication              | Organization                |   |
| May 23-24, 2019 (Chengdu)                               | Communication              | Organization                |   |
| May 31, 2019  | Field survey               | Organization                |   |
| June 20, 2019 (Qingdao)                                 | Communication              | Organization                |   |
| June 21, 2019 (Shanghai)                                | Communication              | Organization                |   |
| June 26, 2019 (Shanghai)                                | Communication              | Organization                |   |
| July 03-05, 2019 (Hong Kong)                            | Communication              | Organization                |   |
| July 05, 2019   | Field survey               | Organization                |   |
| July 12, 2019 (Shanghai)                                | Communication              | Organization                |   |
| July 16, 2019   | Field survey               | Organization                |   |
| July 22, 2019   | Field survey               | Organization                |   |
| July 30, 2019   | Field survey               | Organization                |   |
| September 06, 2019                                      | Field survey               | Organization                |   |
| September 10-12, 2019 (Hong Kong)                       | Communication              | Organization                |   |
| September 11, 2019                                      | Field survey               | Organization                |   |
| September 12, 2019                                      | Field survey               | Organization                |   |
| September 15-23, 2019<br>(England, Netherlands, France) | Communication              | Organization                |   |
| September 16, 2019                                      | Field survey               | Organization                |   |
| September 18, 2019                                      | Field survey               | Organization                |   |
| September 23, 2019                                      | Field survey               | Organization                |   |
| September 26, 2019                                      | Field survey               | Organization                |   |

|  |               |                          |   |
|--|---------------|--------------------------|---|
| September 27, 2019<br>(The First Extraordinary General Meeting 2019)         | Field survey  | Organization, individual | CNINFO<br>( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) |
| November 04, 2019  | Field survey  | Organization             |   |
| November 05, 2019 (Shenzhen)   | Communication | Organization             |   |
| November 06, 2019  | Field survey  | Organization             |   |
| November 07, 2019 (Beijing)  | Communication | Organization             |   |
| November 11, 2019 (Chengdu)  | Communication | Organization             |   |
| November 13, 2019  | Field survey  | Organization             |   |
| November 14, 2019  | Field survey  | Organization             |   |
| November 19, 2019  | Field survey  | Organization             |   |
| November 19, 2019 (Beijing)  | Communication | Organization             |   |
| November 19-20, 2019 (Shenzhen)  | Communication | Organization             |   |
| November 21, 2019  | Field survey  | Organization             |   |
| November 28, 2019  | Field survey  | Organization             |   |
| November 28, 2019 (Shenzhen)   | Communication | Organization             |   |
| November 29, 2019  | Field survey  | Organization             |   |
| December 17, 2019  | Field survey  | Organization             |   |
| December 24, 2019  | Field survey  | Organization             |   |
| Reception times  |               |                          |   |
| Number of organizations received   |               |                          | About 1,000 (1,600+ persons in total)   |
| Number of individuals received   |               |                          | 25 persons  |
| Number of other interviewees received  |               |                          | 0   |
| Whether undisclosed important information is disclosed, revealed or divulged |               |                          | No  |

## Section V Significant Matters

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

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

Applicable  Not applicable

According to the Profit Distribution Plan 2018 reviewed and adopted at the Annual General Meeting 2018 of the Company, based on the total capital stock of 3,881,608,005, the Company distributed the dividend of RMB 17 in cash (tax inclusive) to all shareholders for every 10 shares. The distribution plan was expressed by the independent directors of the Company, submitted to the general meeting for approval after reviewed by the board of directors of the Company, and had been implemented on June 6, 2019.

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

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

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

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

The Company's cash dividend distribution scheme in 2017: The Company distributed cash dividends of RMB 13 (tax inclusive) for every 10 shares and totaling RMB 5.046 billion in cash.

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

Unit: RMB



| Year of dividends | Cash dividends (tax inclusive) | Net profit attributable to common stockholders of the listed company in the annual consolidated statement in the year of dividends | Ratio of cash dividends to net profit attributable to common stockholders of the listed company in the consolidated statement | Cash dividends in other forms (such as share repurchase) | Ratio of cash dividends in other forms to net profit attributable to common stockholders of the listed company in the consolidated statement | Total cash dividends (including those in other forms) | Ratio of total cash dividends (including those in other forms) to net profit attributable to common stockholders of the listed company in the consolidated statement |
|-------------------|--------------------------------|--|---|--|--|---|--|
| Year 2019         | 8,539,537,611.00               | 17,402,164,190.16  | 49.07%  | 0.00   | 0.00%  | 8,539,537,611.00                                      | 49.07%   |
| Year 2018         | 6,598,733,608.50               | 13,384,246,683.60  | 49.30%  | 0.00   | 0.00%  | 6,598,733,608.50                                      | 49.30%   |
| Year 2017         | 5,046,090,406.50               | 9,673,721,498.15   | 52.16%  | 0.00   | 0.00%  | 5,046,090,406.50                                      | 52.16%   |

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

Applicable  Not applicable

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

Applicable  Not applicable

|  |                   |
|--|-------------------|
| Bonus shares per 10 shares (shares)  | 0                 |
| Dividend per 10 shares (RMB) (tax inclusive)   | 22                |
| Increase shares per 10 shares (shares)   | 0                 |
| Equity base of distribution plan (shares)  | 3,881,608,005     |
| Cash dividend (RMB) (tax inclusive)  | 8,539,537,611     |
| Cash dividend in other forms (such as share repurchase) (RMB)  | 0.00              |
| Total cash dividends (including those in other forms) (RMB)  | 8,539,537,611     |
| Distributable profit (RMB)   | 34,542,304,965.71 |
| Ratio of total cash dividends (including those in other forms) to total distributable profit   | 100%              |
| Cash dividend distribution in this period  |                   |
| Should the Company be in a growing stage and have major capital expenditure arrangements, the cash dividend should account for a minimum of 40% of the profit distribution when the profit is distributed.   |                   |
| Notes on details of profit distribution plan or plan for transferring capital reserve into capital stock   |                   |
| The Company's cash dividend distribution scheme in 2019: Based on the total capital stock on the equity registration date when the Company implemented the profit distribution scheme, the Company distributed cash dividends of RMB 22 (tax inclusive) for every 10 shares and distributed totally RMB 8,539,537,611 in cash. No bonus share was distributed and no capital reserve was transferred to capital stock in current year. |                   |

### III. Performance in fulfilling commitments

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

Applicable  Not applicable

#### 1. Changes in significant accounting policy

| Content and reason of changes in accounting policy   | Remarks  |
|--|--|
| Presentation of financial statement: The Ministry of Finance issued the Notice on Revising and Printing Formats of Financial Statements for General Enterprises in 2019 (CK (2019) No.6) in April, 2019 to revise the format of financial statements of enterprise.  | Refer to the following explanations for details of the items in the Financial Statements 2018 which are affected by retroactive adjustment   |
| Presentation of financial statement: The Notice on Revising and Printing Formats of Consolidated Financial Statements (2019) (CK (2019) No.16) revised the format of financial statements of enterprise.   |  |
| Changes in accounting policy caused by execution of new financial instrument standards: The Ministry of Finance issued the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments (2017 Revision) (CK (2017) No.7), the Accounting Standards for Business Enterprises No.23- Transfer of Financial Assets (2017 Revision) (CK (2017) No.8), the Accounting Standards for Business Enterprises No.24- Hedging Accounting (2017 Revision) (CK (2017) No.9) on March 31, 2017, and the Accounting Standards for Business Enterprises No.37- Presentation of Financial Instruments (2017 Revision) (CK (2017) No.14) (the above standards collectively referred to as the "New Financial Instrument Standards") on May 2, 2017, requiring enterprises which were simultaneously listed abroad and at home and which were listed abroad and prepared their financial report according to the International Financial Reporting Standards (IFRS) or the Accounting Standards for Business Enterprises (ASBE) to implement such standards since January 1, 2018; and other domestic listed companies to implement such standards since January 1, 2019. | According to the provisions for transition from the old standards to the new standards, information of the comparable period is not adjusted, and the beginning retained earnings or other comprehensive income of the reporting period will be adjusted retroactively for the difference between the new standards and the original standards on the date of initial implementation. Refer to "Section XII, V. Significant accounting policy and accounting estimates, 29, (3) Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new financial instrument standards, new revenue standards and new lease standards from 2019" for details about impact on the Financial Statements 2018 |

The impact of CK (2019) No. 6 on the Financial Statements 2018 are presented below:

| Item  | Financial Statements 2018 (Consolidated) |                   | Financial Statements 2018 (Parent Company) |              |
|---|--|-------------------|--|--------------|
|   | Before change                            | After change      | Before change                              | After change |
| Notes receivable and accounts receivable        | 16,261,973,287.83                        |                   |  |              |
| Notes receivable                                |  | 16,134,641,950.86 |  |              |
| Accounts receivable                             |  | 127,331,336.97    |  |              |
| Notes payable and accounts payable              | 3,566,293,179.83                         |                   | 175,000.00                                 |              |
| Notes payable                                   |  | 413,918,369.11    |  |              |
| Accounts payable                                |  | 3,152,374,810.72  |  | 175,000.00   |
| Asset impairment loss                           | 10,879,427.89                            |                   | 143,797.84                                 |              |
| Asset impairment loss (loss indicated with "-") |  | -10,879,427.89    |  | -143,797.84  |

2. Changes in significant accounting estimates

No changes in significant accounting estimates during the reporting period.

3. Adjustment of relevant items in financial statements at the beginning of the initial implementation year as a result of initial implementation of new financial instrument standards, new revenue standards and new lease standards

Consolidated financial statements:

| Item                                | Balance sheet     |                   |               |                   |
|-------------------------------------|-------------------|-------------------|---------------|-------------------|
|                                     | December 31, 2018 | Reclassification  | Remeasurement | January 1, 2019   |
| Notes receivable                    | 16,134,641,950.86 | -2,269,711,750.31 |               | 13,864,930,200.55 |
| Accounts receivable financing       |                   | 2,269,711,750.31  |               | 2,269,711,750.31  |
| Available-for-sale financial assets | 1,200,000.00      | -1,200,000.00     |               |                   |
| Other non-current financial assets  |                   | 1,200,000.00      |               | 1,200,000.00      |

Financial statements of parent company:

| Item                                | Balance sheet     |                  |               |                 |
|-------------------------------------|-------------------|------------------|---------------|-----------------|
|                                     | December 31, 2018 | Reclassification | Remeasurement | January 1, 2019 |
| Available-for-sale financial assets | 1,200,000.00      | -1,200,000.00    |               |                 |
| Other non-current financial assets  |                   | 1,200,000.00     |               | 1,200,000.00    |

4. Note on comparison data before the retrospective adjustments due to initial implementation of new standards for financial instruments or new lease standards

Comparison data which does not need retrospective adjustments due to initial implementation of new standards for financial instruments or new lease standards during the reporting period.

The Company had no changes in accounting policy, accounting estimates and accounting methods during the reporting period.

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

Applicable  Not applicable

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

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

Applicable  Not applicable

On June 20, 2019, the Company and Wuliangye Group, as reviewed and approved by the 5th board of directors of the Company, jointly funded and established Wuliang NongXiang Series Baijiu Yibin Co., Ltd.", of which the registered capital was RMB 100 million. The Company contributed RMB 95 million, taking up 95% of the registered capital; Wuliangye Group contributed RMB 5 million, taking up 5% of the registered capital; and Wuliang NongXiang Series Baijiu Yibin Co., Ltd. was included in the consolidation scope of the Company since its establishment.

### IX. Appointment and dismissal of accounting firms

Accounting firm currently appointed

|  |  |
|--|--|
| Name of Chinese accounting firm                                  | Sichuan Huaxin (Group) CPA (LLP)                           |
| Remuneration of Chinese accounting firm                          | RMB 1.32million (excluding internal control and audit fee) |
| Term of auditing services of Chinese accounting firm             | 19   |
| Name of the CPAs of Chinese accounting firm                      | Li Min, Liu Jun  |
| Term of auditing services of the CPAs of Chinese accounting firm | The 4th year of Mr. Li Min, the 2nd year of Mr. Liu Jun    |

Has the accounting firm been changed in current period?

Yes  No

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

Applicable  Not applicable

The Company continued to appoint "Sichuan Huaxin (Group) CPA (LLP)" as the internal control and audit organization of the Company in 2019 at the cost of RMB 600,000.

### X. Suspension or termination of listing confronted upon disclosure of the annual report

Applicable  Not applicable

### XI. Bankruptcy reorganization

Applicable  Not applicable

The Company had no bankruptcy reorganization during the reporting period.

### XII. Major litigation and arbitration matters

Applicable  Not applicable

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

Other litigation and arbitration matters

Applicable  Not applicable

| Basic information about litigation (arbitration)   | Amount involved in the case (Unit: RMB '0,000) | Whether forming estimated liabilities | Progress of litigation (arbitration) | Results and influence of trial of litigation (arbitration)  | Enforcement of adjudication of litigation (arbitration) | Disclosure date | Disclosure index |
|--|--|---------------------------------------|--------------------------------------|---|---|-----------------|------------------|
| The Company sued Beijing Tanshi Ruifeng Trade Co., Ltd. and Gansu Binhe Food Industry (Group) Co., Ltd. for infringement of the exclusive right to use the trademark "Wuliangye"             | 7,000  | No                                    | The case had been settled            | In consideration that Binhe Company failed to fulfill the payment obligation within the time specified in the judgment, the Company submitted an application to Beijing No.1 Intermediate People's Court for enforcement on October 11, 2019. Beijing No.1 Intermediate People's Court published main contents of the judgment on the China Intellectual Property News on December 27, 2019, and remitted the executed money of RMB 5,482,250 to the account of the Company on January 4, 2020. | The enforcement had been completed                      |                 |                  |
| The Company sued Beijing Tanshi Ruifeng Trade Co., Ltd. and Gansu Binhe Food Industry (Group) Co., Ltd. for infringement of the exclusive right to use the trademark "Wuliang Chun (Spring)" | 6,000  | No                                    | The case had been settled            | In consideration that Binhe Company failed to fulfill the payment obligation within the time specified in the judgment, the Company submitted an application to Beijing No.1 Intermediate People's Court for enforcement on October 11, 2019. Beijing No.1 Intermediate People's Court published main contents of the judgment on the China Intellectual Property News on December 27, 2019, and remitted the executed money of RMB 4,465,800 to the account of the Company on January 4, 2020. | The enforcement had been completed                      |                 |                  |

### XIII. Punishment and rectification

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

The shares issued by non-public offering for the Company's ESOP were issued and listed on April 19, 2018. In August, the Company held the 1st meeting of shareholders participating the ESOP and set up the management committee of the ESOP (Phase I). Participants of the ESOP included directors, supervisors, senior management, and other employees of the Company, 2,428 persons in total, and subscribed 23,696,280 shares, taking up 0.61% of total capital stock of the Company.

At the end of the reporting period, current directors, supervisors, senior management, and members of CPC of the Company (Li Shuguang, Chen Lin, Zou Tao, Yang Yunxia, Wu Guoping, Zhu Zhongyu, Tang Bochao, Tang Shengyun, Luo Wei, Zhao Dong, Wu Jianjun and Peng Zhifu) participating the ESOP indirectly held 1,898,683 shares through the Guotai Junan Fund Management Plan, taking up about 2.22% of the shares issued through non-public offering. At present, the management committee of the ESOP is composed of 30 persons, including 1 director and 1 deputy director. There was no change during the reporting period. Scheme for handling the demission and resignation of holders of the ESOP is under research.

**XVI. Major related transactions****1. Related transactions related to daily operation**

Applicable  Not applicable

The Company signed the Financial Service Agreement and the Supplemental Agreement to the Financial Service Agreement with the Finance Company on April 12, 2018 and March 20, 2019, respectively. The main contents were deposits and loans service. Daily balance of deposits was no more than RMB 32.9 billion in 2019 and daily balance of loans no more than RMB 2.5 billion in 2019. Refer to "Section XII, X. Related parties and related transactions, 5. Related transactions (5) Other related transactions" for details about related transactions between the Company and the Finance Company.

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## **5. Other major related transactions**

Applicable  Not applicable

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

## **XVII. Major contracts and their performance**

### **1. Trusteeship, contracting and lease**

#### **(1) Trusteeship**

Applicable  Not applicable

The Company had no trusteeship during the reporting period.

#### **(2) Contracting**

Applicable  Not applicable

The Company had no contracting during the reporting period.

#### **(3) Lease**

Applicable  Not applicable

The Company had no lease during the reporting period.

### **2. Major guarantee**

Applicable  Not applicable

The Company had no guarantee during the reporting period.

### **3. Entrusted cash asset management**

#### **(1) Entrusted financing**

Applicable  Not applicable

The Company had no entrusted financing during the reporting period.

#### **(2) Entrusted loan**

Applicable  Not applicable

The Company had no entrusted loan during the reporting period.

### **4. Other major contracts**

Applicable  Not applicable

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

## **XVIII. Social responsibility**

### **1. Fulfillment of social responsibility**

Refer to the Social Responsibility Report 2019 disclosed by the Company on April 28, 2020.

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

### **(1) Targeted poverty alleviation**

The Company has always recognized that there is a huge, political responsibility to tackle poverty alleviation and it has set targets to help alleviate those in poverty-stricken areas. In 2019, the Company focused on the principle of "giving people a leg up to help them get going and develop". The Company demonstrated its advantages in capital, production, and marketing, and assisted with poverty alleviation in a number of regions, including Litang County within the Ganzi Prefecture, Xingwen County and Pingshan County in Yibin. It helped alleviate people who had impoverished industries, insufficient education, limited consumption pools, and those who suffered from basic poverty.

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

The Company has so far contributed RMB 273 million towards the poverty alleviation fund and purchased over RMB 45 million's worth of poverty alleviation products. The Company won the Social Responsibility award at the 12th People's Enterprise Poverty Alleviation Awards, and the People's Daily award for Targeting Poverty Alleviation, serving as a recommended model for building capability. It was voted one of the Top 50 "Social Organizations for Alleviating Poverty", and was one of the 2018 "Advanced Units for Alleviating Poverty in Sichuan". It was also a leading group in the State Council's "Sichuan Advanced Poverty Alleviation Collective of 2019", and the "Most Charitable Enterprise" in Sichuan Province.

### **Capitalizing operations, and building the "Wuliangye + Village Collective Asset Management Company+Farmers" model**

The Company donated RMB 2.1 million to Litang County in the Ganzi Prefecture, and used over RMB 12 million to establish the first village collective asset management company in Ganzi. The equity was apportioned to farmers at the Wuliangye Litang Polar Fruits and Vegetables (Mushroom) Base, and they became the production operators. This motivated farmers to take part in industrial development. The Company provided aid with a "Purchase Rather Than Donate" scheme. It helped drive the collective economy of the village through extensive marketing, and made more than RMB 7.1 million in revenue and dividends of over RMB 1.5 million. The Company donated RMB 1.25 million to Xingwen County in Yibin for the Wuliangye Qingshanyan Bamboo Forest (Nursery Garden) Demonstration Base, and it apportioned the equity to the village-collective asset management company. They drove the village's collective economy and made nearly RMB 600,000 in revenue and dividends of nearly RMB 100,000 through equity quantification. The Company implemented an innovative model centered on the village-collective asset management company, and was able make the transition from traditional,



agricultural production to having capitalized operations. It demonstrated the increased importance of playing a leading industrial role.

**Industrialized operations, building the "Wuliangye+Industrial Base+Farmers" model**

The Company had always organically integrated base construction with rural revitalization. It has encouraged farmers to carry out moderate-scale operations and has promoted land transfers and top quality construction on farmland. It has used more than one million mu to construct a core demonstration area, and a special grain base for brewing. In Xingwen County, Yibin, the Company built the 1,100-mu Wuliangye Qingshanyan Bamboo Forest (Nursery Garden) Demonstration Base. This mainly produced bamboo pulp and this was subsequently purchased by the Yibin Paper Industry Co, Ltd. via the Company. This helped solve the problem of farmers' long-term revenue. The Company has also developed its auxiliary industries such as bamboo and bonsai planting/breeding in the bamboo forest, in order to improve its land resources and solve both long and short-term problems with farmers' revenues. The Company built the 42-mu Wuliangye Litang Polar Fruits and Vegetable (Mushroom) Base in Litang County, Ganzi Prefecture. It is an enclave park with a plateau and it has helped stimulate the development of seven poor villages and nearly 400 peasant households. The mushroom products at this base were the first to obtain a green food mark in Litang County.

**Market-oriented operations, building the "Wuliangye+Large Group and Large Enterprise+Farmers" model**

The Company made full use of its market mechanism to find the interest bonds for alleviating consumption poverty. It increased the revenue of farmers by hosting trade shows, and at regular and irregular intervals purchased products by employees to help alleviate them of poverty. It created a special poverty alleviation zone for products on the digital "Wuliangye Family" labor union platform.

While boosting the confidence of farmers, the Company gave full play to the advantages of its "multi-dimensional diversified industry platform". The Company introduced brand and marketing management packages to leading groups and large enterprises, so that there could be long-term cooperation. It injected new impetus into poverty alleviation by strengthening its brand connotations and modern marketing concepts. The Company strengthened its cooperation with large on-line and off-line groups/enterprises, such as [www.freshhema.com](http://www.freshhema.com), [JD.com](http://JD.com), and [ZHNK](http://ZHNK). It actively took part in poverty alleviation activities and hosted multiple large exhibitions for farmers to exhibit their grains nationally to social organizations. These included both national agricultural exhibitions and sideline product and food safety exhibitions, so they could build a better marketing channel, and a more stable and long-lasting

marketing network. The Company mobilized social forces to be active in poverty alleviation activities, and they helped quickly turn the products used for poverty alleviation into marketable products.

**Enterprise-dominant operations, building the "Wuliangye+Echelon Cultivation of Talent+Farmers" model**

The Company donated millions of educational and multi-media classroom materials and actively supported work in the Ganzi Prefecture to "Prevent Dropouts and Ensure Compulsory Education". It built the Wuliangye Hope Primary School and donated money towards the construction of the "Five-Love" teaching building. It established the Wuliangye Education Fund which contains more than RMB 20 million. This has been used to reward teachers and assist impoverished students. It has also been used to introduce technical experts into the industry, who have helped farmers receive technical training, improve their technical knowledge, and become newly professional industrials that industrial bases can rely on. Six poverty alleviation cadres were selected and sent by the Company to the front-line of impoverished areas, and they led local farmers to take part in production management, fund-raising, marketing and other activities. In doing so, they helped them to comprehensively develop, and themselves promoted the extension of basic public cultural services in the countryside. Their excellent deeds were widely publicized and they prospered as a result of this centralized publicity. This helped build momentum for more rural governance systems that could tackle poverty and achieve prosperity.

**Party Cohesion, building the "Wuliangye Party +'Two Village Committees' +Party Members+Farmers" model**

The Company helped construct a party branch at the Polar Fruits and Vegetables (Mushroom) Base in Litang County, Ganzi Prefecture. It provided construction materials, helped boost work performance, and innovated how to implement shared resources. In Xingwen County, Yibin, the Company built a home for the masses and a public service center in the Qingshanyan Village. It introduced the concept of a party-backed Wuliangye cultural center and greatly strengthened the cohesion of the party at village-level. In Pingshan County, Yibin, the Company cooperated with the village enterprise to build the "Wuliang New Village·Virtuous Baixiang" demonstration site. This breathed new life into the rural landscape and helped starting a new era of modern, rural party construction.

**(3) Targeted poverty alleviation effect**

| Index                | Unit of measurement | Quantity/performance |
|----------------------|---------------------|----------------------|
| I. General situation | --                  | --                   |
| Including: 1. Funds  | RMB '0,000          | 13,358               |

|  |             |   |
|--|-------------|---|
| 2. Amount converted from materials   | RMB '0,000  | RMB 200,000 (donating RMB 120,000 of educational and cultural materials to Xiamula Township; donating 300 sets of charitable packages valued RMB 30,000 to counterpart assisted regions; and donating RMB 50,000 of educational materials to Xinjie Village Primary School of Dayuan Ethnic Primary School of Xianfeng Township)  |
| 3. Number of poor people who move out of poverty under the help of the Company           | Person      | In 2019, the Company helped 21 persons of 5 households of Baixiang Village of Pingshan County to get rid of poverty   |
| II. Input by items   | --          | --  |
| 1. Industrial development poverty alleviation  | --          | --  |
| Including: 1.1 Type of industrial development poverty alleviation project                | --          |   |
| 1.2 Number of industrial development poverty alleviation project                         | Piece       | 5 (construction of the characteristic agricultural products (Tibetan mushroom and Tibetan agarics) base of Shangmayan Village, Xiamula Township, Litang County; construction of the bamboo industry of Qingshanyan Village, Xingwen County; construction of the special brewing grain base; construction of the poverty alleviation workshop of Xingwen County; construction of the "rural revitalization industrial road" and promoting the construction of transportation infrastructure and the rural revitalization strategy) |
| 1.3 Amount for industrial development poverty alleviation project                        | RMB '0,000  | 10,100  |
| 1.4 Number of poor people who get rid of poverty under the help of the Company           | Person      |   |
| 2. Transfer employment poverty alleviation   | --          | --  |
| Including: 2.1 Amount for vocational skill training                                      | RMB '0,000  |   |
| 2.2 Number of attendees of vocational skill training                                     | Person-time |   |
| 2.3 Number of employment of the poor under the help of the Company                       | Person      | 48  |
| 3. Poverty alleviation relocation  | --          | --  |
| Including: 3.1 Number of employment of relocated household under the help of the Company | Person      |   |
| 4. Educational poverty alleviation   | --          | --  |
| Including: 4.1 Amount for funding poor students  | RMB '0,000  | 258   |
| 4.2 Number of poor students receiving fund   | Person      | 43 persons (providing educational assistance to 20 outstanding poor undergraduates with RMB 5,000/person, granting student subsidies of RMB 100,000; donating RMB 2.48 million for supporting the acrobatics education poverty alleviation project of Yibin, and subsidizing 23 students)   |
| 4.3 Amount for improving educational resources of impoverished areas                     | RMB '0,000  | RMB 200,000 (donating RMB 120,000 of educational and cultural materials to Xiamula Township; donating 300 sets of charitable packages valued RMB 30,000 to counterpart assisted regions; and donating RMB 50,000 of educational materials to Xinjie Village Primary School of Dayuan Ethnic Primary School of Xianfeng Township)  |
| 5. Health poverty alleviation  | --          | --  |
| Including: 5.1 Amount for medical and health resources of impoverished areas             | RMB '0,000  |   |
| 6. Ecological protection poverty alleviation   | --          | --  |
| Including: 6.1 Type of project   | --          |   |
| 6.2 Investment amount  | RMB '0,000  |   |
| 7. Subsistence allowance   | --          | --  |
| Including: 7.1 Amount for the "Three Left Behind" personnel                              | RMB '0,000  |   |

|   |            |   |
|---|------------|---|
| 7.2 Number of the "Three Left Behind" personnel receiving help                        | Person     |   |
| 7.3 Amount for poor disabled  | RMB '0,000 |   |
| 7.4 Number of poor disabled receiving help  | Person     |   |
| 8. Social poverty alleviation   | --         | --  |
| Including: 8.1 Amount for poverty alleviation cooperation between East and West China | RMB '0,000 |   |
| 8.2 Amount for fixed-point poverty alleviation  | RMB '0,000 |   |
| 8.3 Amount for poverty alleviation charitable foundation                              | RMB '0,000 |   |
| 9. Consumption for poverty alleviation  |            |   |
| Including 9.1 "Purchase Rather Than Donation" characteristic agricultural products    | RMB '0,000 | 2,666   |
| 10. Other projects  | --         | --  |
| Including: 10.1 Number of projects  | Piece      | 3 (donating RMB 1 million to Yajiang County and Xinlong County, respectively, RMB 2 million in total; donating RMB 700,000 to fill the gap of funds for strengthening the weak points according to the standards of Jieji Village, Pingbian Yi Nationality Township, Pingshan County; donating RMB 640,000 to support the construction of demonstration site of village enterprise co-construction of Baixiang Village)   |
| 10.2 Investment amount  | RMB '0,000 | 334   |
| 10.3. Number of poor people who move out of poverty under the help of the Company     | Person     | In 2019, the Company helped 21 persons of 5 households of Baixiang Village of Pingshan County to get rid of poverty   |
| III. Awards received (content, level)   | --         | --  |
|   |            | "Social Organization Poverty Alleviation 50 Best Cases", "Sichuan Advanced Fixed-Point Poverty Alleviation Unit Directly Under Provincial Jurisdiction 2018", and "Sichuan Advanced Poverty Alleviation Collective 2019" of the State Council Leading Group Office of Poverty Alleviation and Development, the "Most Charitable Donating Enterprise" of Sichuan Province. Zhangwen, supervisor of Wuliangye Mass Work Department and member of the work team stationed at Shangmayan Village, Xiamula Township, Litang County, Ganzi Prefecture was honored as "Advanced Individual of the Poverty Alleviation 'Five-One' Assistance of Sichuan 2018" |

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

The Company will accomplish its work by optimizing industrial development, offering educational assistance, assisting with consumption, and guaranteeing developments in line with the instructions/requirements of the Central Government and the Sichuan Provincial Party Committee and Government. It will base its poverty alleviation practices in Yibin's Xingwen County and Pingshan County, and Litang County in the Ganzi Prefecture.

**Optimize industrial development. 1)** The Company will earnestly promote the Qingshanyan bamboo industrial project in Xingwen County. The Company has finished funding the industrial base for Qingshanyan Bamboo Base. It will continue to promote new bamboo products from the nursery garden (bamboo fungus, tricholoma matsutake, etc.), and will expand and refine its bamboo product operations.

**2)** The Company will continue to promote standardized operations and developments at the Litang "Polar Fruits and Vegetables" (Mushroom) Base. The Company will make full use of its scale and talent

to vigorously promote new technologies. It will standardize the production of mushrooms, and will make full use of the "Zangziyuan" ("藏孜源" in Chinese) registered trademark. It will extend its industrial chain and thoroughly drive forward the development of Litang County's edible mushroom industry. It will play an active role in poverty alleviation by ensuring industrial development and increasing local revenue. **3)** The Company will continue to provide industrial assistance in the Baixiang Village in Pingshan County. The Company will utilize its local resources and strengthen the impetus for better communication and more innovation in Baixiang Village. **4)** The Company will promote the construction, consolidation and subsequent upgrades of a special brewing grain base. The Company will upgrade its million-mu brewing grain base. It will increase the revenue of poor households and build a new model that can serve as an example in meeting the benchmark for targeted poverty alleviation. At the same time, it will gradually establish a special grain supply system for liquor production that is green and organic.

**Refine educational assistance.** **1)** The Company will continue to promote the "Prevent Dropout and Ensure Compulsory Education" scheme in Litang County. The Company will increase its efforts to ensure educational assistance. It will donate RMB 100,000 into a special fund to subsidize 20 poor students from Litang County (RMB 5,000/person). It will actively promote the construction of a network for all middle schools and classrooms across Litang County. **2)** The Company will continue to provide educational assistance to Xingwen County and Pingshan County. The Company will continue to donate care packages (containing schoolbags, stationaries and books) to poor students in Xingwen County and Pingshan County. **3)** The Company will follow up on its relief efforts to tackle education poverty in Yibin, and it will ensure the project sees substantial results. **4)** The Company will carry out various activities and give donations once it has certified the practices of Xingwen County, Pingshan County, and Litang County. It will carry out research, surveys and through negotiations.

**Boost consumption to alleviate poverty.** **1)** The Company will actually push "Purchase Rather Than Donate" activities in the regions it is assisting. It will purchase agricultural products that are characteristic of these poor regions and distribute them as employee benefits during "Spring Festival", "Mid-Autumn Festival", "Poverty Alleviation Day", and other holidays. **2)** The Company will carry out the "Purchase Rather Than Donate" project and update products on a regular basis. It will collect the information for employees' orders, and distribute products centrally. **3)** The Company will steadily promote the centralized RMB 15 million "Purchase Rather Than Donate" project in the Liangshan Prefecture. **4)** The Company will give play to advantages of the platform, actively help to expand both on-line and off-line sales platforms/channels, and continue to promote the sales of poverty alleviation

products to drive the development of regional industry and economy and increase the revenue of the masses.

**Guarantees to strengthen development.** **1)** The Company will actively take responsibility for revitalizing rural Yibin. It will fund RMB 300 million to construct an "industrial path for rural revitalization" over the next three years. It will support construction of the "Four Good Rural Roads" which will make travel easier for farmers, and it will make further improvements to the infrastructure for regional development. **2)** The Company will work with the village enterprise to construct a demonstration site in the Baixiang Village. It will spread spiritual guidance and inspire the masses to be free of poverty. **3)** The Company will continue to consolidate its poverty alleviation workshop in Xingwen County and will drive local employment, gradually increasing revenue. **4)** The Company will send work groups to the counties, townships, and villages to research and survey the masses. They will inspire enthusiasm in them to be free of poverty and become rich.

### 3. Conditions related to environmental protection

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

The Company and its subsidiaries voluntarily disclose the following information:

| Name of the Company or subsidiaries | Name of main pollutants and characteristic pollutants | Emission Means                  | Number of outlets | Outlets Distribution   | Emission concentration  | Pollutant emission standard observed  | Total emissions | Total emissions approved | Excessive emission |
|-------------------------------------|---|---------------------------------|-------------------|--|-------------------------|---|-----------------|--------------------------|--------------------|
| Wuliangye Yibin Co., Ltd.           | COD   | Organized continuous emission   | 1                 | Outlets of advanced treatment area of the Environmental Protection Company | 31.80mg/L               | Discharge Standard of Water Pollutants for Fermentation Alcohol and Distilled Spirits Industry (GB27631-2011)         | 133.39 tons     | 400 tons                 | Non-excessive      |
|                                     | Ammonia nitrogen                                      | Organized continuous emission   | 1                 | Outlets of advanced treatment area of the Environmental Protection Company | 0.67mg/L                |   | 3.04 tons       | 40 tons                  | Non-excessive      |
|                                     | Total phosphorus                                      | Organized continuous emission   | 1                 | Outlets of advanced treatment area of the Environmental Protection Company | 0.39mg/L                |   | 1.62 tons       | /                        | Non-excessive      |
|                                     | Total nitrogen  | Organized continuous emission   | 1                 | Outlets of advanced treatment area of the Environmental Protection Company | 9.04mg/L                |   | 37.27 tons      | /                        | Non-excessive      |
| Wuliangye Yibin Co., Ltd.           | Sulfur dioxide  | Organized intermittent emission | 4                 | Park   | 81.84mg/m <sup>3</sup>  | Emission Standard of Air Pollutants for Boiler (GB13271-2014) Emission Standard of Air Pollutants for Industrial Kiln | 77.82 tons      | 3,678.33 tons            | Non-excessive      |
|                                     |   |                                 |                   |  | 102.27mg/m <sup>3</sup> |   |                 |                          |                    |
|                                     |   |                                 |                   |  | 314.55mg/m <sup>3</sup> |   |                 |                          |                    |
|                                     |   |                                 |                   |  | 294.68mg/m <sup>3</sup> |   |                 |                          |                    |

|                           |                |                                 |   |      |                         |   |             |               |               |
|---------------------------|----------------|---------------------------------|---|------|-------------------------|---|-------------|---------------|---------------|
|                           |                |                                 |   |      |                         | and Furnace (GB9078-1996)   |             |               |               |
| Wuliangye Yibin Co., Ltd. | Nitrogen oxide | Organized intermittent emission | 4 | Park | 207.73mg/m <sup>3</sup> | Emission Standard of Air Pollutants for Boiler (GB13271-2014) Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996) | 243.27 tons | 2,374.84 tons | Non-excessive |
|                           |                |                                 |   |      | 210.31mg/m <sup>3</sup> |   |             |               |               |
|                           |                |                                 |   |      | 242.27mg/m <sup>3</sup> |   |             |               |               |
|                           |                |                                 |   |      | 215.98mg/m <sup>3</sup> |   |             |               |               |
| Wuliangye Yibin Co., Ltd. | Particulates   | Organized intermittent emission | 4 | Park | 66.44mg/m <sup>3</sup>  | Emission Standard of Air Pollutants for Boiler (GB13271-2014) Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996) | 51.51 tons  | /             | Non-excessive |
|                           |                |                                 |   |      | 76.80 mg/m <sup>3</sup> |   |             |               |               |
|                           |                |                                 |   |      | 31.97mg/m <sup>3</sup>  |   |             |               |               |
|                           |                |                                 |   |      | 30.45mg/m <sup>3</sup>  |   |             |               |               |

### (1) Construction and operation of pollution-control facilities

The Company has 3 wastewater pretreatment stations and 1 wastewater advanced treatment zone, using biochemical treatment and Fenton treatment technology for wastewater treatment.

The Company has 15 natural gas boilers (20t/h), which adopt the advanced low NOX combustion technology of first-line brands of German and are under good condition. The drying boiler and environmental-protection boiler had been shut down in July 2019.

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

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

### (3) Contingency plan for environmental emergencies

The Company has formulated the Contingency Plan for Environmental Emergencies which has been filed with Yibin Environmental Protection Bureau after expert review. On August 22, 2019, the Company carried out the "Environmental Emergency Drill 2019" at Zone F of Push Group. According to the drill, it is verified that the Company has effective Contingency Plan for Environmental Emergencies and is capable of handling emergencies, and all its units cooperate closely, making orderly coordination and organization.

### (4) Environment self-monitoring scheme

From January to May of 2019, the Company disclosed the self-monitoring data to the society on the Self-monitoring Information Disclosure Platform of Enterprise under Key Monitoring of Sichuan Province as required by Environmental Protection Department of Sichuan Province, and disclosed the self-monitoring data to the society on the Pollutant Source Monitoring Information Management and Sharing Platform of Sichuan Province since June. The Company disclosed totally 72,862 pieces of self-monitoring data about wastewater, flue gas, noise, etc. to the society throughout 2019.

The Company, through its official website, disclosed basic information, drainage information, construction and operation of pollution preventing and controlling facilities, environmental impact assessment on construction project, and other environmental administrative licenses, contingency plan for environmental emergencies, and annual self-monitoring scheme and report of the Company to the society on a monthly basis with 12 issues in total.

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

None

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

① The Company actively promoted green projects and carried out the construction of the coal-to-gas project (phase III).

② In 2019, the Company treated 3.9738 million tons of wastewater and the exhaust emission was about 1.573 billion cubic meters, with 100% up-to-standard discharge/emission.

③ There was no environmental pollution accident in 2019.

④ In May 2019, the Company sponsored Sichuan Energy Conservation Association to hold "Sichuan Green Industrial Development Summit Forum 2019 and the First 'Wuliangye' Cup Energy Conservation Brand Award Ceremony of Sichuan Province" to promote development of the environmental protection industry.

⑤ Honors awarded in 2019

The cleaner production of the Company was approved and accepted, reaching domestic advanced level; the Company was honored as the "Sichuan Environment Integrity Enterprise 2018" and had been receiving this honor for three consecutive years (year 2016, 2017 and 2018); the environmental protection wetland project of the Company won the "Sichuan Energy Conservation and Environmental Protection Brand Demonstration Project Award 2018"; and was honored as "Sichuan Industrial Resources Comprehensive Utilization Base (Park, Enterprise)" in the first batch.

**XIX. Note on other major events**

Applicable  Not applicable



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

**XX. Major events of subsidiaries**

Applicable  Not applicable

## Section VI Changes in Shares and Shareholders

### I. Change in shares

#### 1. Change in shares

Unit: Share

|   | Before this change |            | Increase/decrease (+, -) |             |                                       |         |           | After this change |            |
|---|--------------------|------------|--------------------------|-------------|---------------------------------------|---------|-----------|-------------------|------------|
|   | Quantity           | Proportion | Issuance of new shares   | Bonus share | Capitalization of public reserve fund | Others  | Sub-total | Quantity          | Proportion |
| I. Restricted shares                          | 85,839,587         | 2.21%      |                          |             |                                       | 10,450  | 10,450    | 85,850,037        | 2.21%      |
| 3. Other domestic shareholding                | 85,839,587         | 2.21%      |                          |             |                                       | 10,450  | 10,450    | 85,850,037        | 2.21%      |
| Including: Domestic legal person shareholding | 85,641,285         | 2.20%      |                          |             |                                       |         |           | 85,641,285        | 2.20%      |
| Domestic natural person shareholding          | 198,302            | 0.01%      |                          |             |                                       | 10,450  | 10,450    | 208,752           | 0.01%      |
| II. Unrestricted shares                       | 3,795,768,418      | 97.79%     |                          |             |                                       | -10,450 | -10,450   | 3,795,757,968     | 97.79%     |
| 1. Common share (in RMB)                      | 3,795,768,418      | 97.79%     |                          |             |                                       | -10,450 | -10,450   | 3,795,757,968     | 97.79%     |
| III. Total shares                             | 3,881,608,005      | 100.00%    |                          |             |                                       | 0       | 0         | 3,881,608,005     | 100.00%    |

#### Reasons for change in shares

Applicable  Not applicable

During the reporting period, the change in shares was caused by increase of the lock-up shares of the resigned officers of the Company.

#### Approval of changes in shares

Applicable  Not applicable

#### Transfer of share changes

Applicable  Not applicable

#### Implementation progress of share repurchase

Applicable  Not applicable

#### Implementation progress of reducing repurchased shares by centralized competitive bidding

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

#### 2. Changes in restricted shares

Applicable  Not applicable

Unit: Share

| Name of shareholder | Beginning number of restricted shares | Increase in current period Number of restricted shares | Number of shares released in current period Number of restricted shares | Ending number of restricted shares | Reason for being restricted      | Date of release |
|---------------------|---------------------------------------|--|---|------------------------------------|----------------------------------|-----------------|
| Liu Zhongguo        | 38,850                                | 12,950   |   | 51,800                             | Lock-up due to resign of officer | 20200326        |
| Total               | 38,850                                | 12,950   |   | 51,800                             | --                               | --              |

## II. Securities issuance and listing

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

Applicable  Not applicable

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

Applicable  Not applicable

### 3. Existing internal employee shares

Applicable  Not applicable

## III. Shareholders and actual controller(s)

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

Unit: Share

| Total common shareholders at the end of the reporting period    | 282,960                  | Total common shareholders at the end of the previous month before the disclosure date of the Annual Report | 296,724  | Total preferred shareholders with voting rights restored (if any) at the end of the reporting period |                                  | Total preferred shareholders with voting rights restored (if any) at the end of the previous month before the disclosure date of the reporting period |                    |          |
|---|--------------------------|--|--|--|----------------------------------|---|--------------------|----------|
| Shareholders holding more than 5% shares or top 10 shareholders |                          |  |  |  |                                  |   |                    |          |
| Name of shareholder   | Nature of shareholder    | Shareholding Proportion  | Number of shares held at the end of the reporting period<br>Quantity | Increase or decrease during the reporting period   | Number of restricted shares held | Number of unrestricted shares held  | Pledge or freezing |          |
|   |                          |  |  |  |                                  |   | Status             | Quantity |
| Yibin State-Owned Assets Operation Co., Ltd.                    | State-owned legal person | 35.21%   | 1,366,548,020  |  |                                  | 1,366,548,020   |                    |          |
| Sichuan Yibin Wuliangye Group Co., Ltd.                         | State-owned legal person | 19.63%   | 761,823,343  |  |                                  | 761,823,343   |                    |          |
| Hong Kong Securities Clearing Co., Ltd.                         | Overseas legal person    | 8.64%  | 335,547,084  |  |                                  | 335,547,084   |                    |          |
| China Securities Finance Corporation Limited                    | Others                   | 2.38%  | 92,385,936   |  |                                  | 92,385,936  |                    |          |
| Central Huijin Asset Management Co., Ltd.                       | State-owned legal person | 1.04%  | 40,192,100   |  |                                  | 40,192,100  |                    |          |

| China Life Insurance Company Limited - Traditional - Ordinary Insurance Product-005L-CT001 Shenzhen   | Others  | 0.87%                 | 33,683,218    |  |            | 33,683,218 |  |  |
|---|---|-----------------------|---------------|--|------------|------------|--|--|
| Wuliangye Yibin Co., Ltd. - Employee Stock Ownership Plan (Phase I)   | Others  | 0.61%                 | 23,696,280    |  | 23,696,280 |            |  |  |
| Shanghai Guotai Junan Securities Asset Management Co., Ltd. - Bank of China-Guotai Junan Junxiang Wuliangye No.1 Collective Asset Management Plan                                     | Others  | 0.50%                 | 19,414,047    |  | 19,414,047 |            |  |  |
| Agricultural Bank of China Limited - E Fund Consumption Industry Equity Securities Investment Fund  | Others  | 0.38%                 | 14,772,807    |  |            | 14,772,807 |  |  |
| Taikang Life Insurance Co., Ltd. - Bonus - Personal Bonus-019L-FH002 Shenzhen   | Others  | 0.33%                 | 12,820,710    |  | 10,421,704 | 2,399,006  |  |  |
| Explanations about the association relationship or concerted action among the above-mentioned shareholders  | Among the top 10 shareholders of the Company, Sichuan Yibin Wuliangye Group Co., Ltd. is a wholly-owned subsidiary of Yibin State-owned Assets Operation Co., Ltd., and it is unclear whether other public shareholders have any association relationship or acting in concert. |                       |               |  |            |            |  |  |
| Shareholding of top 10 shareholders with unrestricted shares  |   |                       |               |  |            |            |  |  |
| Name of shareholder   | Number of unrestricted shares held at the end of the reporting period<br>Quantity   | Class of share        |               |  |            |            |  |  |
|   |   | Class of share        | Quantity      |  |            |            |  |  |
| Yibin State-Owned Assets Operation Co., Ltd.  | 1,366,548,020   | Common share (in RMB) | 1,366,548,020 |  |            |            |  |  |
| Sichuan Yibin Wuliangye Group Co., Ltd.   | 761,823,343   | Common share (in RMB) | 761,823,343   |  |            |            |  |  |
| Hong Kong Securities Clearing Co., Ltd.   | 335,547,084   | Common share (in RMB) | 335,547,084   |  |            |            |  |  |
| China Securities Finance Corporation Limited  | 92,385,936  | Common share (in RMB) | 92,385,936    |  |            |            |  |  |
| Central Huijin Asset Management Co., Ltd.   | 40,192,100  | Common share (in RMB) | 40,192,100    |  |            |            |  |  |
| China Life Insurance Company Limited - Traditional - Ordinary Insurance Product-005L-CT001 Shenzhen   | 33,683,218  | Common share (in RMB) | 33,683,218    |  |            |            |  |  |
| Agricultural Bank of China Limited - E Fund Consumption Industry Equity Securities Investment Fund  | 14,772,807  | Common share (in RMB) | 14,772,807    |  |            |            |  |  |
| Bank of China Limited - E Fund Small Hybrid Securities Investment Fund  | 12,800,000  | Common share (in RMB) | 12,800,000    |  |            |            |  |  |
| Bank of China Limited - CMF CSI White Spirit Index Classification Securities Investment Fund  | 11,425,051  | Common share (in RMB) | 11,425,051    |  |            |            |  |  |
| Industrial and Commercial Bank Of China Limited - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund  | 10,303,601  | Common share (in RMB) | 10,303,601    |  |            |            |  |  |
| Note on the association relationship or concerted action between top 10 unrestricted public shareholders, and between top 10 unrestricted public shareholders and top 10 shareholders | Among the top 10 shareholders of the Company, Sichuan Yibin Wuliangye Group Co., Ltd. is a wholly-owned subsidiary of Yibin State-owned Assets Operation Co., Ltd., and it is unclear whether other public shareholders have any association relationship or acting in concert. |                       |               |  |            |            |  |  |

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

Yes  No

The Company's top 10 common shareholders and top 10 unrestricted common shareholders did not

agree on a repurchase transaction during the reporting period.

## 2. Controlling shareholders of the Company

Nature of controlling shareholder: local state-owned

Type of controlling shareholder: legal person

| Name of controlling shareholder  | Legal representative/head of unit   | Date of establishment | Organization code  | Primary business  |
|--|---|-----------------------|--------------------|---|
| Yibin State-Owned Assets Operation Co., Ltd.   | Han Cheng   | August 04, 1999       | 915115007118234259 | Capital operation and assets operation within the scope authorized by the People's Government of Yibin City |
| Equity of other domestic and foreign listed companies controlled and participated by controlling shareholder during the reporting period | Yibin State-Owned Assets Operation Co., Ltd. directly holds 131,847,574 shares of Yibin Tianyuan Group Co., Ltd., taking up 16.88%; indirectly holds 56,691,800 shares of Yibin Paper Industry Co., Ltd., taking up 44.87%. |                       |                    |   |

Change of controlling shareholder during the reporting period

Applicable  Not applicable

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

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

Nature of actual controller: local state-owned assets administration

Type of actual controller: legal person

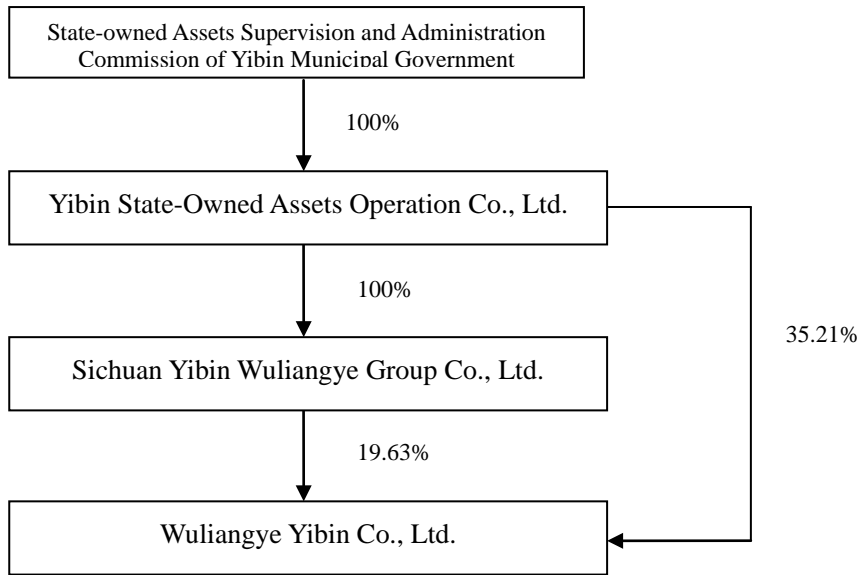
| Name of actual controller   | Legal representative/head of unit   | Date of establishment | Organization code | Primary business |
|---|---|-----------------------|-------------------|------------------|
| State-owned Assets Supervision and Administration Commission of Yibin Municipal Government                        | Ying Yuanjun  | February 24, 2005     | Not applicable    | Not applicable   |
| Equity of other domestic and foreign listed companies controlled by actual controller during the reporting period | Yibin State-owned Assets Supervision and Administration Commission directly holds 56,691,800 shares of Yibin Paper Industry Co., Ltd., taking up 44.87%; indirectly holds 131,847,574 shares of Yibin Tianyuan Group Co., Ltd., taking up 16.88%. |                       |                   |                  |

Change of actual controller during the reporting period

Applicable  Not applicable

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

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



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

Applicable  Not applicable

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

Applicable  Not applicable

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

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

Applicable  Not applicable

## Section VII Preferred Share

Applicable  Not applicable

The Company had no preferred shares during the reporting period.

## Section VIII Convertible Corporate Bonds

Applicable  Not applicable

The Company had no convertible bonds during the reporting period.



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

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

| Name          | Position   | Status of service | Gender | Age | Date of appointment | Date ceasing to hold office | Number of shares held at the beginning of the period (share) | Increase in number of shares held in current period (share) | Decrease in number of shares held in current period (share) | Other increase/decrease (share) | Number of shares held at the end of the period (share) |
|---------------|--|-------------------|--------|-----|---------------------|-----------------------------|--|---|---|---------------------------------|--|
| Zeng Congqin  | Deputy Secretary of CPC, President                                 | Incumbent         | Male   | 51  | September 27, 2019  | Till now                    |  |   |   |                                 |  |
| Li Shuguang   | Secretary of CPC, Director   | Incumbent         | Male   | 57  | April 21, 2017      | Till now                    |  |   |   |                                 |  |
| Chen Lin      | Deputy Secretary of CPC, Director, General Manager, Chief Engineer | Incumbent         | Female | 59  | July 18, 2014       | Till now                    | 98,191   |   |   |                                 | 98,191   |
| Zou Tao       | Member of CPC, Director, Executive Deputy General Manager          | Incumbent         | Male   | 41  | July 21, 2018       | Till now                    |  |   |   |                                 |  |
| Jiang Wenge   | Member of CPC, Director  | Incumbent         | Male   | 53  | May 10, 2019        | Till now                    |  |   |   |                                 |  |
| Fu Nanping    | Independent Director   | Incumbent         | Male   | 58  | July 18, 2014       | Till now                    |  |   |   |                                 |  |
| Zhou Yousu    | Independent Director   | Incumbent         | Male   | 67  | June 22, 2016       | Till now                    |  |   |   |                                 |  |
| Gan Shengdao  | Independent Director   | Incumbent         | Male   | 53  | November 18, 2016   | Till now                    |  |   |   |                                 |  |
| Yang Yunxia   | Member of CPC, Chairman of Labor Union, Employee Supervisor        | Incumbent         | Female | 48  | July 18, 2014       | Till now                    |  |   |   |                                 |  |
| Ren Shiming   | Supervisor   | Incumbent         | Male   | 54  | July 18, 2014       | Till now                    |  |   |   |                                 |  |
| Qiu Ping      | Supervisor   | Incumbent         | Female | 55  | July 18, 2014       | Till now                    | 2,000  |   |   |                                 | 2,000  |
| Wu Guoping    | Employee Supervisor  | Incumbent         | Male   | 50  | June 09, 2015       | Till now                    |  |   |   |                                 |  |
| Zhu Zhongyu   | Member of CPC, Deputy General Manager                              | Incumbent         | Male   | 56  | July 18, 2014       | Till now                    | 11,501   |   |   |                                 | 11,501   |
| Tang Bochao   | Member of CPC, Deputy General Manager                              | Incumbent         | Male   | 55  | July 18, 2014       | Till now                    | 20,000   |   |   |                                 | 20,000   |
| Tang Shengyun | Member of CPC, Deputy General Manager                              | Incumbent         | Male   | 57  | July 18, 2014       | Till now                    | 9,100  |   |   |                                 | 9,100  |
| Luo Wei       | Member of CPC, Deputy General Manager, Chief Financial Officer     | Incumbent         | Male   | 55  | July 18, 2014       | Till now                    |  |   |   |                                 |  |
| Zhao Dong     | Member of CPC, Deputy General Manager, Deputy Chief Engineer       | Incumbent         | Male   | 55  | July 21, 2018       | Till now                    |  |   |   |                                 |  |
| Total         | --   | --                | --     | --  | --                  | --                          | 140,792  |   |   |                                 | 140,792  |

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

√ Applicable □ Not applicable

| Name | Position | Type | Date | Reason |
|------|----------|------|------|--------|
|------|----------|------|------|--------|

|              |                                    |                           |                    |  |
|--------------|------------------------------------|---------------------------|--------------------|--|
| Liu Zhongguo | Deputy Secretary of CPC, President | Retired                   | September 27, 2019 | Retired as director of the 5th board of directors and President due to reaching the mandatory age for retirement     |
| Zeng Congqin | Deputy Secretary of CPC, President | Appointment and dismissal | September 27, 2019 | New president as appointed by higher organization and appointed and dismissed by the general meeting                 |
| Jiang Wenge  | Member of CPC, Director            | Appointment and dismissal | May 10, 2019       | Take the position of Director as appointed by higher organization and appointed and dismissed by the general meeting |
| Zhang Hui    | Director                           | Dismissed                 | May 10, 2019       | Dismissed from the position of Director by the general meeting   |

Remark: 1. In September of 2019, Mr. Fu Nanping applied for resigning as Independent Director of the 5th board of directors of the Company. The resignation application would become effective after the general meeting of the Company elects the new independent director. On October 16, 2019, the board of directors of the Company nominated Mr. Han Cheng as the candidate for director of the 5th board of directors of the Company, which had to be submitted to the general meeting for consideration.

2. On October 16, 2019, the board of directors of the Company nominated Ms. Liu Feng and Ms. Yang Ling as the candidate for supervisor of the 5th board of supervisors of the Company and Mr. Ren Shiming and Ms. Qiu Ping resigned as supervisors, which had to be submitted to the general meeting for consideration.

### III. Service status

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

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

2. Mr. Li Shuguang, bachelor degree, senior economist. He began to work in July 1983 and once served the Sichuan Provincial Machinery Industry Department, Sichuan Provincial Planned Economy Committee, Sichuan Provincial Economic Commission, Sichuan Provincial Economic and Trade Commission, Sichuan Provincial Economic Commission, and Sichuan Provincial Economic and Information Commission. He once served as Assistant Mayor of Luzhou People's Government,

Chairman of Board of Supervisors of State-owned Enterprises of Sichuan Provincial Government, Chief Economist of Sichuan Provincial Economic and Information Commission, Deputy Secretary of the Leading Party Group and Deputy Director of Sichuan Provincial Economic and Information Commission. At present, he serves as the Secretary of CPC and Director of the Company, and Secretary of CPC and President of the Group Company.

3. Ms. Chen Lin, bachelor degree, professor level senior engineer, senior technician, senior sommelier, senior winemaker, China Liquor Brewing Master, and China Liquor Master. She began to work in Wuliangye Liquor Factory in March 1980, served as the Secretary of Party Branch and Director of the Mellow Blending Workshop of Yibin Wuliangye Liquor Factory since December 1992, served as Deputy General Manager of the Company since April 1998, and served as Member of CPC and Director of the Group Company, and the Director, General Manager, and Chief Engineer of the Company since April 2004. She now serves as the Deputy Secretary of CPC, Director, General Manager, and Chief Engineer of the Company, Member of CPC and Director of the Group Company, and Director and General Manager of Yibin Wuliangye Liquor Sales Co., Ltd.

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

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

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

7. Mr. Zhou Yousu, bachelor degree, professor. He began to work in July 1983 and once served Sichuan Academy of Social Sciences and Meigu County Committee of Sichuan Province. He now serves as researcher and professor of Sichuan Academy of Social Sciences and Independent Director of the Company.

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

9. Ms. Yang Yunxia, bachelor degree, senior political analyst. She began to work in Wuliangye Liquor Factory in July 1991, served as middle management since August 2003, and served as Director of the Mass Work Department and Director of the Women's Working Committee of the Company in July 2015. She served as Member of CPC and Chairman of the Labor Union of the Company in June 2018. She now serves as Member of CPC, Chairman of the Labor Union, and Employee Supervisor of the Company, and concurrently as Director of the Mass Work Department.

10. Mr. Ren Shiming, bachelor degree, senior accountant, and senior international finance manager (SIFM). He began to work in July 1989 and successively served as Chief Accountant of the Finance Office of Sichuan Automobile Factory, Chief Accountant of Chongqing Hongyan Automobile Transmission Shaft Factory, Chief Accountant and Deputy Chief of the Finance Section of Yibin Investment Co., Ltd., Chief of the Finance Section, Director of Finance Department, and Director of Investment Department of Yibin State-Owned Assets Operation Co., Ltd. He now serves as Director and

Employee Supervisor of the Professional Committee Office of Yibin State-Owned Assets Operation Co., Ltd. and Supervisor of the Company.

11. Ms. Qiu Ping, college degree, Chinese Certified Public Accountant. She successively served as Deputy Chief of the Enterprise Section of Yibin Municipal Bureau of Finance, Deputy General Manager of Yibin Investment Group Company Urban Investment Company, Director of Yibin Assets and Equity Exchange, Director of Financing Department and Director of Finance Department of Yibin State-Owned Assets Operation Co., Ltd. She now serves as the Assistant of General Manager of Yibin State-Owned Assets Operation Co., Ltd. and Supervisor of the Company.

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

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

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

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

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

Financial Officer of the Company.

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

Service status in the shareholder's unit

Applicable  Not applicable

| Name of staff | Name of shareholder's unit                   | Position in shareholder's unit                                 | Date of appointment | Date ceasing to hold office | Whether to receive remuneration or allowance in the shareholder's unit |
|---------------|--|--|---------------------|-----------------------------|--|
| Li Shuguang   | Sichuan Yibin Wuliangye Group Co., Ltd.      | Secretary of CPC, President                                    |                     |                             | No   |
| Zeng Congqin  | Sichuan Yibin Wuliangye Group Co., Ltd.      | Member of CPC, Director, General Manager                       |                     |                             | No   |
| Chen Lin      | Sichuan Yibin Wuliangye Group Co., Ltd.      | Member of CPC, Director  |                     |                             | No   |
| Zou Tao       | Sichuan Yibin Wuliangye Group Co., Ltd.      | Member of CPC, Vice President                                  |                     |                             | Yes  |
| Jiang Wenge   | Sichuan Yibin Wuliangye Group Co., Ltd.      | Member of CPC, Director, Deputy General Manager                |                     |                             | No   |
| Ren Shiming   | Yibin State-Owned Assets Operation Co., Ltd. | Director of Professional Committee Office, Employee Supervisor |                     |                             | Yes  |
| Qiu Ping      | Yibin State-Owned Assets Operation Co., Ltd. | Assistant of General Manager                                   |                     |                             | Yes  |

Service status in other units

Applicable  Not applicable

| Name of staff | Name of other unit  | Position in other unit  | Date of appointment | Date ceasing to hold office | Whether to receive remuneration or allowance in other units |
|---------------|---|---|---------------------|-----------------------------|---|
| Fu Nanping    | Guotai Junan Securities Co., Ltd.   | Business Inspector and Supervisor   |                     |                             | Yes   |
| Zhou Yousu    | Sichuan Academy of Social Sciences  | Researcher, professor   |                     |                             | Yes   |
| Gan Shengdao  | Sichuan University  | Professor, doctoral supervisor, and post-doctoral co-supervisor in accounting |                     |                             | Yes   |
|               | Changhong Meiling Co., Ltd., Sichuan Yahua Industrial Group Co., Ltd., Sinoseal Holding Co., Ltd., Chengdu XGimi Technology Co., Ltd., and RML Technology Co., Ltd. | Independent Director  |                     |                             |   |
|               | Sichuan Huashi Group Ltd.   | Outside Director  |                     |                             |   |

|             |   |                                  |  |  |    |
|-------------|---|----------------------------------|--|--|----|
| Chen Lin    | Yibin Wuliangye Liquor Sales Co., Ltd.              | Director, General Manager        |  |  | No |
| Zou Tao     | Wuliang NongXiang Series Baijiu Yibin Co., Ltd.     | President                        |  |  | No |
| Tang Bochao | Oriental Outlook Media Co., Ltd.                    | Vice President                   |  |  | No |
| Luo Wei     | Sichuan Yibin Wuliangye Group Finance Co., Ltd.     | President                        |  |  | No |
| Zhu Zhongyu | Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd. | President                        |  |  | No |
|             | Yibin Wuliangye Liquor Sales Co., Ltd.              | Executive Deputy General Manager |  |  | No |

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

Applicable  Not applicable

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

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

##### 1. Decision-making procedures

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

##### 2. Determination basis

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

##### 3. Actual payment of remuneration

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

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

Unit: RMB '0,000

| Name         | Position             | Gender | Age | Status of service | Total remuneration received from the Company | Whether to get remuneration from related parties of the Company |
|--------------|----------------------|--------|-----|-------------------|--|---|
| Zeng Congqin | President            | Male   | 51  | Incumbent         |  | No  |
| Li Shuguang  | Director             | Male   | 57  | Incumbent         | 73.29  | No  |
| Chen Lin     | Director             | Female | 59  | Incumbent         | 74   | No  |
| Zou Tao      | Director             | Male   | 41  | Incumbent         |  | Yes   |
| Jiang Wenge  | Director             | Male   | 53  | Incumbent         | 44.05  | No  |
| Fu Nanping   | Independent Director | Male   | 58  | Incumbent         | 10   | No  |
| Zhou Yousu   | Independent Director | Male   | 67  | Incumbent         | 10   | No  |
| Gan Shengdao | Independent Director | Male   | 53  | Incumbent         | 10   | No  |
| Yang Yunxia  | Employee Supervisor  | Female | 48  | Incumbent         | 66.22  | No  |
| Ren Shiming  | Supervisor           | Male   | 54  | Incumbent         |  | Yes   |

|               |  |      |    |           |        |     |
|---------------|--|------|----|-----------|--------|-----|
| Qiu Ping      | Supervisor   | Male | 55 | Incumbent |        | Yes |
| Wu Guoping    | Employee Supervisor                                | Male | 50 | Incumbent | 46.23  | No  |
| Zhu Zhongyu   | Deputy General Manager                             | Male | 56 | Incumbent | 66.56  | No  |
| Tang Bochao   | Deputy General Manager                             | Male | 55 | Incumbent | 67.01  | No  |
| Tang Shengyun | Deputy General Manager                             | Male | 57 | Incumbent | 66.81  | No  |
| Luo Wei       | Deputy General Manager,<br>Chief Financial Officer | Male | 55 | Incumbent | 66.26  | No  |
| Zhao Dong     | Deputy General Manager,<br>Deputy Chief Engineer   | Male | 55 | Incumbent | 68.56  | No  |
| Liu Zhongguo  | Former President                                   | Male | 64 | Resigned  | 75.13  | No  |
| Total         |  |      |    |           | 744.12 |     |

**Remarks:** 1. The above-mentioned persons (except for the independent directors) received part of the annual performance pay of 2018; Allowances received by the independent directors were tax-inclusive.

2. Due to the good performance in 2017-2018, the superiors paid one-off non-wage bonus to relevant senior management of the Company.

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

Applicable  Not applicable

### V. Company employees

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

|  |                                  |
|--|----------------------------------|
| Number of employees in the parent company (person)   | 17,896                           |
| Number of employees in main subsidiaries (person)  | 8,452                            |
| Total employees (person)   | 26,348                           |
| Total employees receiving salary in the current period (person)  | 26,348                           |
| Number of retired employees whose expenses need to be borne by the parent company and main subsidiaries (person) | 82                               |
| Professional composition   |                                  |
| Category of professional composition   | Number of professionals (person) |
| Production personnel   | 19,185                           |
| Marketing personnel  | 1,150                            |
| Technician   | 4,943                            |
| Financial personnel  | 158                              |
| Administrative personnel   | 912                              |
| Total  | 26,348                           |
| Educational background   |                                  |
| Category of education background   | Number (person)                  |



|                               |        |
|-------------------------------|--------|
| College and above             | 4,738  |
| Senior high school to college | 14,746 |
| Middle school and below       | 6,864  |
| Total                         | 26,348 |

## 2. Remuneration policy

The Company strictly abides by the provisions of relevant national laws and regulations and complies with the scheme of operation benefit linked up with performance and relevant remuneration management system of the Company.

## 3. Training plan

In 2020, training work of the Company will center on the strategic layout of "Reform, Innovation, Transformation, and Development" and focus on construction of the talent team to strengthen the foundation of innovation and development. The Company will carry out hierarchical and classified trainings with rich contents and by flexible means based on the demand of the Company for reform and development and the demands of employees for diversified trainings, enhancing the planning, pertinency and effectiveness of educational training. The Company plans to carry out 12 "Wuliangye Lectures", 121 professional trainings at company level, 335 professional trainings at workshop and department level, 97 external trainings, and 66 skill trainings to provide strong human resources guarantee for the reform and innovation of the Company, so as to effectively match up with and promote strategic improvement of the Company and achievement of the annual operation objectives.

## 4. Labor outsourcing

Applicable  Not applicable

## Section X Corporate Governance

### I. Basic information of corporate governance

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

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

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

Yes  No

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

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

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

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

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

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

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

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

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

### III. Peer competition

Applicable  Not applicable

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

### 1. General meeting during the reporting period

| Meeting session                          | Meeting type                  | Investor Participation proportion | Convening date     | Disclosure date    | Disclosure index  |
|--|-------------------------------|-----------------------------------|--------------------|--------------------|---|
| Annual General Meeting 2018              | Annual general meeting        | 71.25%                            | May 10, 2019       | May 11, 2019       | CNINFO<br>( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) |
| First Extraordinary General Meeting 2019 | Extraordinary general meeting | 64.94%                            | September 27, 2019 | September 28, 2019 |   |

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

Applicable  Not applicable

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

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

| Attendance of board meeting and general meeting by independent directors |   |   |   |  |                                 |  |                                     |
|--|---|---|---|--|---------------------------------|--|-------------------------------------|
| Name of independent director   | Number of board meetings to be attended during the reporting period | Number of board meetings attended on site | Number of board meetings attended by correspondence | Number of board meetings delegated to attend | Number of board meetings absent | Whether fails to personally attend the board meeting for two consecutive times | Number of general meetings attended |
| Fu Nanping   | 20  | 2   | 18  | 0  | 0                               | No   | 1                                   |
| Zhou Yousu   | 20  | 2   | 18  | 0  | 0                               | No   | 2                                   |
| Gan Shengdao   | 20  | 2   | 18  | 0  | 0                               | No   | 2                                   |

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

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

Yes  No

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

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

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

Yes  No

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

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

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

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

### **(I) Performance of duties by the strategic committee**

During the reporting period, the strategic committee of the Company convened three meetings according to relevant requirements of the Implementation Rules for Strategic Committee of the Company, studying the "13th Five-year" strategic development of the Company, implementation of the strategy for the first half of the year and economic performance of the Company, and preliminary work of the "14th Five-year" plan of the Company.

### **(II) Performance of duties by the audit committee**

During the reporting period, the audit committee was diligent and responsible in performing the responsibilities required by the system: 1. Review the Company's 1st quarter report of 2019, semi-annual report of 2019, and the 3rd quarter report of 2019 and form resolutions; 2. Review the Company's renewal of employment of the accounting firm in 2019 and the audit fee, and form resolutions; 3. Determine the timing of audit of the financial and accounting statements 2019 through consultation with the accounting firm responsible for annual audit of the Company; 4. Communicate with the accounting firm and independent directors before entry of the auditor of the Annual Report 2019; 5. Review, for the first time, the summary financial and accounting statements of 2019 preliminarily prepared by the Department of Finance of the Company before entry of the CPAs for the annual audit, and provide written comments; 6. After entry of the CPA for annual audit, the audit committee and the CPAs for annual audit communicated about problems found during the audit and the time for submitting the audit report; 7. The audit committee further reviewed the Company's financial and accounting statements 2019 and form resolutions after the CPAs for the annual audit issued the preliminary audit

opinions.

(III) Performance of duties by the nomination committee

The nomination committee convened two meetings during the reporting period according to relevant provisions of the Implementation Rules for Nomination Committee of the Company. Mr. Zeng Congqin was nominated as the candidate for director and president of the 5th board of directors of the Company at the first meeting; the proposal of nominating Mr. Han Cheng as the candidate for director of the 5th board of directors of the Company was approved at the second meeting.

(IV) Performance of duties by the remuneration and appraisal committee

The remuneration and appraisal committee, according to relevant provisions of the Implementation Rules for Remuneration and Appraisal Committee of the Company, issued audit opinion on the remuneration payment of officers of the Company in 2019 during the reporting period.

(V) Performance of duties by the comprehensive budget management committee.

The committee, according to relevant provisions of the Implementation Rules for Comprehensive Budget Management Committee of the Company, Serious performance of duties reviewed and approved the Annual Budget Scheme 2019 and the Comprehensive Budget Adjustment Scheme 2019 during the reporting period.

## VII. Work of the board of supervisors

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

Yes  No

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

## VIII. Appraisal and incentive of senior management

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

## IX. Internal control

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

Yes  No

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

|  |  |
|--|--|
| Disclosure date of internal control evaluation report (full text)  | April 28, 2020   |
| Disclosure index of internal control evaluation report (full text)   | CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) |
| Proportion of the total assets of the unit included in the evaluation scope to the total assets of the consolidated financial statement of the Company       | 100%   |
| Proportion of operating revenue of the unit included in the evaluation scope to the operating revenue of the consolidated financial statement of the Company | 100%   |

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

|  |   |   |
|--|---|---|
|  | 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.<br>3. Common defects: Misstatement amount ≤1% of total operating revenue; misstatement amount ≤5% of net profit; misstatement amount ≤1% of total assets. |   |
| Number of major defects in financial reports (piece)         |   | 0 |
| Number of major defects in non-financial reports (piece)     |   | 0 |
| Number of important defects in financial reports (piece)     |   | 0 |
| Number of important defects in non-financial reports (piece) |   | 0 |

## X. Internal control audit report

Applicable  Not applicable

| Audit opinion paragraphs in the internal control audit report   |   |
|---|---|
| Sichuan Huaxin (Group) CPA (LLP) believes that the Company maintained effective internal control over the financial report on all significant aspects in accordance with the Basic Criteria of Enterprise Internal Control and relevant provisions as of December 31, 2019. |   |
| Disclosure of internal control audit report   | Disclosed   |
| Disclosure date of internal control audit report (full text)  | April 28, 2020  |
| Disclosure index of internal control audit report (full text)   | Refer to CNINFO ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) for details |
| Type of opinions of internal control audit report   | Standard unqualified opinion  |
| Whether non-financial report has major defects  | No  |

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

Yes  No

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

Yes  No

## **Section XI Corporate Bonds**

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

No



## Section XII Financial Report

### I. Audit Report

|                                  |                                  |
|----------------------------------|----------------------------------|
| Type of audit opinion            | Standard unqualified opinion     |
| Date of signing the Audit Report | April 24, 2020                   |
| Name of Audit Firm               | Sichuan Huaxin (Group) CPA (LLP) |
| Audit Report No.                 | CHXS (2020) No. 0031             |
| Name of CPAs                     | Li Min, Liu Jun                  |

Audit Report (Text)

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

#### I. Audit opinion

We have audited the financial statements of Wuliangye Yibin Co., Ltd. (hereinafter referred to as the Company), including the consolidated balance sheet and the balance sheet of parent company as of December 31, 2019, consolidated income statement and income statement of parent company, consolidated cash flow statement and cash flow statement of parent company, consolidated statement of changes in owners' equity and statement of changes in owners' equity of parent company for the year 2019 and notes to these financial statements.

In our opinion, the attached financial statements of the Company have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises and give a true and fair view of the consolidated financial position and financial position of parent company of the Company as of December 31, 2019 and of the consolidated financial performance and cash flows and financial performance and cash flows of parent company for the year 2019 on all significant aspects.

#### II. Basis for opinion

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

#### III. Key audit matters

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

| Key audit matters   | Addressed in the context of our audit                       |
|---|---|
| <b>(I) Existence and integrity of cash and cash equivalents</b> |   |
| Refer to notes to financial statements "V.                      | With respect of cash and cash equivalents, we conducted the |

|  |  |
|--|--|
| <p>Notes to consolidated financial statements, 1. Cash and cash equivalents".</p> <p>As of December 31, 2019, the balance of cash and cash equivalents of the Company was RMB 63,238,825,700 taking up 59.44% of the total assets. The safety of deposit, accuracy and integrity of balance have great impact on the financial statements due to the large amount of balance of cash and cash equivalents and large number of bank accounts, therefore we consider the existence and integrity of cash and cash equivalents as a key audit matter.</p>   | <p>following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understand, test, and evaluate key internal controls related to the management of cash and cash equivalents;</li> <li>2. Obtain list of bank accounts opened, and check the books of the Company against the bank account information and integrity of the bank accounts;</li> <li>3. Obtain the bank statement and bank reconciliation for external confirmation of the bank accounts, and control the process of external confirmation;</li> <li>4. Supervise the originals of certificate of fixed deposit, and pay attention to the holders of certificate of fixed deposit and other information.</li> <li>5. Obtain credit report of the enterprise and check whether the cash and cash equivalents are under mortgage, charge or frozen;</li> <li>6. At the end of the period, the amount deposited with Sichuan Yibin Wuliangye Group Finance Co., Ltd. was RMB 32,405,107,434.58 in total. Check the deposit and loan businesses of Sichuan Yibin Wuliangye Group Finance Co., Ltd.</li> </ol> <p>We believe that the above audit procedures can support the management of the Company in determining the existence and integrity of cash and cash equivalents.</p>                      |
| <p><b>(II) Integrity of disclosure of association relationships and related transactions</b></p>   |  |
| <p>Refer to notes to financial statement "VIII. Related parties and related transactions".</p> <p>As of December 31, 2019, the Company had different categories of related transactions with related parties in large amount. There is a risk of failing to fully disclose the association relationships and related transactions in the notes to financial statements due to large number of related parties and involving in various types of related transactions, therefore we consider integrity of disclosure of association relationships and related transactions as a key audit matter.</p> | <p>With respect of association relationships and related transactions, we conducted the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Understand the procedures of the Company for related party identification, evaluate and test the internal control of the Company for identifying and disclosing association relationships and related transactions;</li> <li>2. Obtain the list of association relationships provided by the management, and check against the information obtained from other public channels; review the major sales, purchase, and other transactions to identify any association relationship not being disclosed;</li> <li>3. Obtain the amount of related transactions and details of the balance provided by the management and check against the financial records;</li> <li>4. Sample the amount and balance of related transactions for external confirmation;</li> <li>5. Obtain the resolutions of the board of directors and those of the general meeting concerning the related transactions, and check against the list of association relationships, amount and balance of related transactions provided by the management;</li> <li>6. Obtain statement of the management about integrity of the</li> </ol> |

|  |   |
|--|---|
|  | <p>association relationships and related transactions;</p> <p>7. Check whether the association relationship and related transactions have 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 association relationship and related transactions.</p> |
|--|---|

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

The management of the Company is responsible for other information. Such information includes the information covered in the Annual Report 2019, but excluding the financial statements and our audit report.

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

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

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

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

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

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

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

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

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

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

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

(2) Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances.

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

(4) Draw a conclusion about the appropriateness of the going-concern assumption used by the management. Meanwhile, draw a conclusion about the major uncertainty of the matters or circumstances possibly resulting in major concerns about the going-concern ability of the Company according to the audit evidence obtained. If we conclude that a material uncertainty exists, the auditing standards require us to draw attention to users of the financial statements in the Audit Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the Audit Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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

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

April 24, 2020

## II. Financial Statements

Unit of notes to financial statements: RMB

### 1. Consolidated Balance Sheet

Prepared by: Wuliangye Yibin Co., Ltd.

December 31, 2019

Unit: RMB

| Item  | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|
| Current assets:                                       |                   |                   |
| Cash and cash equivalents                             | 63,238,825,723.79 | 48,960,048,897.95 |
| Settlement reserves                                   |                   |                   |
| Capital lent  |                   |                   |
| Trading financial assets                              |                   |                   |
| Financial assets at fair value through profit or loss |                   |                   |
| Derivative financial assets                           |                   |                   |
| Notes receivable                                      | 14,643,149,595.72 | 16,134,641,950.86 |
| Accounts receivable                                   | 134,449,693.03    | 127,331,336.97    |
| Accounts receivable financing                         | 3,450,166,659.06  |                   |
| Prepayments   | 231,909,140.09    | 220,916,820.64    |
| Premium receivable                                    |                   |                   |
| Reinsurance receivables                               |                   |                   |
| Contract reserve of reinsurance                       |                   |                   |
| Other receivables                                     | 1,248,644,572.40  | 871,770,375.85    |
| Including: Interest receivable                        | 1,215,275,214.91  | 840,888,887.75    |
| Dividends receivable                                  |                   |                   |
| Purchase restituted finance asset                     |                   |                   |
| Inventory   | 13,679,619,615.41 | 11,795,461,088.43 |
| Contract asset  |                   |                   |
| Assets held for sale                                  |                   |                   |
| Non-current assets due within one year                |                   |                   |
| Other current assets                                  |                   |                   |
| Total current assets                                  | 96,626,764,999.50 | 78,110,170,470.70 |
| Non-current assets:                                   |                   |                   |
| Loans and advances                                    |                   |                   |
| Debt investment                                       |                   |                   |
| Available-for-sale financial assets                   |                   | 1,200,000.00      |

|  |                    |                   |
|--|--------------------|-------------------|
| Other debt investments                                     |                    |                   |
| Held-to-maturity investment                                |                    |                   |
| Long-term receivables                                      |                    |                   |
| Long-term equity investment                                | 1,021,778,731.59   | 919,477,978.54    |
| Other equity instrument investment                         |                    |                   |
| Other non-current financial assets                         | 1,200,000.00       |                   |
| Investment properties                                      |                    |                   |
| Fixed assets   | 6,108,745,912.72   | 5,262,163,428.02  |
| Construction in progress                                   | 812,428,248.30     | 351,993,452.86    |
| Productive biological assets                               |                    |                   |
| Oil and gas assets   |                    |                   |
| Right-of-use assets  |                    |                   |
| Intangible assets  | 410,155,227.81     | 412,650,156.71    |
| Development expenditures                                   |                    |                   |
| Goodwill   | 1,621,619.53       | 1,621,619.53      |
| Long-term deferred expenses                                | 91,601,331.96      | 111,897,668.36    |
| Deferred income tax assets                                 | 1,157,391,979.00   | 871,859,716.03    |
| Other non-current assets                                   | 165,284,283.25     | 51,231,242.34     |
| Total non-current assets                                   | 9,770,207,334.16   | 7,984,095,262.39  |
| Total assets   | 106,396,972,333.66 | 86,094,265,733.09 |
| Current liabilities:                                       |                    |                   |
| Short-term loans   |                    |                   |
| Loan from central bank                                     |                    |                   |
| Capital borrowed   |                    |                   |
| Trading financial liabilities                              |                    |                   |
| Financial liabilities at fair value through profit or loss |                    |                   |
| Derivative financial liabilities                           |                    |                   |
| Notes payable  | 419,485,425.61     | 413,918,369.11    |
| Accounts payable   | 3,257,672,975.56   | 3,152,374,810.72  |
| Accounts received in advance                               | 12,530,706,854.77  | 6,706,735,898.48  |
| Contract liability   |                    |                   |
| Selling financial asset of repurchase                      |                    |                   |
| Absorbing deposit and interbank deposit                    |                    |                   |

|   |                   |                   |
|---|-------------------|-------------------|
| Security trading of agency                  |                   |                   |
| Security sales of agency                    |                   |                   |
| Payroll payable                             | 3,594,886,729.81  | 2,769,295,510.19  |
| Tax payable                                 | 7,939,166,588.84  | 5,080,135,497.74  |
| Other payables                              | 2,292,680,733.51  | 2,585,355,687.52  |
| Including: Interest payable                 |                   |                   |
| Dividend payable                            |                   |                   |
| Commission charge and commission payable    |                   |                   |
| Reinsurance payables                        |                   |                   |
| Liabilities held for sale                   |                   |                   |
| Non-current liabilities due within one year |                   |                   |
| Other current liabilities                   |                   |                   |
| Total current liabilities                   | 30,034,599,308.10 | 20,707,815,773.76 |
| Non-current liabilities:                    |                   |                   |
| Insurance contract reserve                  |                   |                   |
| Long-term loans                             |                   |                   |
| Bonds payable                               |                   |                   |
| Including: Preferred share                  |                   |                   |
| Perpetual bond                              |                   |                   |
| Lease liability                             |                   |                   |
| Long-term payable                           |                   |                   |
| Long-term payroll payable                   |                   |                   |
| Estimated liabilities                       |                   |                   |
| Deferred income                             | 266,325,368.40    | 267,010,618.22    |
| Deferred income tax liabilities             |                   |                   |
| Other non-current liabilities               |                   |                   |
| Total non-current liabilities               | 266,325,368.40    | 267,010,618.22    |
| Total liabilities                           | 30,300,924,676.50 | 20,974,826,391.98 |
| Owner's equity:                             |                   |                   |
| Capital stock                               | 3,881,608,005.00  | 3,881,608,005.00  |
| Other equity instruments                    |                   |                   |
| Including: Preferred share                  |                   |                   |
| Perpetual bond                              |                   |                   |

|   |                    |                   |
|---|--------------------|-------------------|
| Capital reserve                                     | 2,682,647,086.15   | 2,682,647,086.15  |
| Less: Treasury stock                                |                    |                   |
| Other comprehensive income                          |                    |                   |
| Special reserves                                    |                    |                   |
| Surplus reserve                                     | 16,092,197,023.01  | 13,120,411,030.42 |
| Provision for general risk                          |                    |                   |
| Undistributed profit                                | 51,634,248,548.06  | 43,802,603,958.99 |
| Total owner's equity attributable to parent company | 74,290,700,662.22  | 63,487,270,080.56 |
| Minority equity                                     | 1,805,346,994.94   | 1,632,169,260.55  |
| Total owners' equity                                | 76,096,047,657.16  | 65,119,439,341.11 |
| Total liabilities and owners' equity                | 106,396,972,333.66 | 86,094,265,733.09 |

Legal representative: Zeng Congqin  
accounting firm: Luo Jun

Responsible person for accounting: Luo Wei Responsible person of

## 2. Balance Sheet of Parent Company

Unit: RMB

| Item  | December 31, 2019 | December 31, 2018 |
|---|-------------------|-------------------|
| Current assets:                                       |                   |                   |
| Cash and cash equivalents                             | 28,257,367,404.51 | 20,666,489,987.76 |
| Trading financial assets                              |                   |                   |
| Financial assets at fair value through profit or loss |                   |                   |
| Derivative financial assets                           |                   |                   |
| Notes receivable                                      |                   |                   |
| Accounts receivable                                   |                   |                   |
| Accounts receivable financing                         |                   |                   |
| Prepayments   | 80,520,520.72     | 73,237,561.54     |
| Other receivables                                     | 10,126,706,853.03 | 12,135,135,681.28 |
| Including: Interest receivable                        | 570,078,014.35    | 383,190,672.91    |
| Dividends receivable                                  | 654,791,389.27    | 342,607,430.63    |
| Inventory   |                   |                   |
| Contract asset  |                   |                   |
| Assets held for sale                                  |                   |                   |
| Non-current assets due within one year                |                   |                   |



|  |                   |                   |
|--|-------------------|-------------------|
| Other current assets                                       |                   |                   |
| Total current assets                                       | 38,464,594,778.26 | 32,874,863,230.58 |
| Non-current assets:  |                   |                   |
| Debt investment  |                   |                   |
| Available-for-sale financial assets                        |                   | 1,200,000.00      |
| Other debt investments                                     |                   |                   |
| Held-to-maturity investment                                |                   |                   |
| Long-term receivables                                      |                   |                   |
| Long-term equity investment                                | 10,609,783,624.61 | 10,517,324,976.74 |
| Other equity instrument investment                         |                   |                   |
| Other non-current financial assets                         | 1,200,000.00      |                   |
| Investment properties                                      |                   |                   |
| Fixed assets   | 100,266,366.93    | 107,626,051.93    |
| Construction in progress                                   | 100,358,221.33    | 99,478,221.33     |
| Productive biological assets                               |                   |                   |
| Oil and gas assets   |                   |                   |
| Right-of-use assets  |                   |                   |
| Intangible assets  | 39,222,336.12     | 40,573,281.24     |
| Development expenditures                                   |                   |                   |
| Goodwill   |                   |                   |
| Long-term deferred expenses                                |                   |                   |
| Deferred income tax assets                                 | 2,202,432.10      | 100,889.03        |
| Other non-current assets                                   |                   |                   |
| Total non-current assets                                   | 10,853,032,981.09 | 10,766,303,420.27 |
| Total assets   | 49,317,627,759.35 | 43,641,166,650.85 |
| Current liabilities:                                       |                   |                   |
| Short-term loans   |                   |                   |
| Trading financial liabilities                              |                   |                   |
| Financial liabilities at fair value through profit or loss |                   |                   |
| Derivative financial liabilities                           |                   |                   |
| Notes payable  |                   |                   |
| Accounts payable   | 418,136.00        | 175,000.00        |
| Accounts received in advance                               |                   |                   |

|   |                  |                  |
|---|------------------|------------------|
| Contract liability                          |                  |                  |
| Payroll payable                             | 8,811,734.27     | 1,267,974.86     |
| Tax payable                                 | 30,732,337.42    | 36,702,690.98    |
| Other payables                              | 285,450,874.79   | 332,300,571.41   |
| Including: Interest payable                 |                  |                  |
| Dividend payable                            |                  |                  |
| Liabilities held for sale                   |                  |                  |
| Non-current liabilities due within one year |                  |                  |
| Other current liabilities                   |                  |                  |
| Total current liabilities                   | 325,413,082.48   | 370,446,237.25   |
| Non-current liabilities:                    |                  |                  |
| Long-term loans                             |                  |                  |
| Bonds payable                               |                  |                  |
| Including: Preferred share                  |                  |                  |
| Perpetual bond                              |                  |                  |
| Lease liability                             |                  |                  |
| Long-term payable                           |                  |                  |
| Long-term payroll payable                   |                  |                  |
| Estimated liabilities                       |                  |                  |
| Deferred income                             | 1,000,000.00     |                  |
| Deferred income tax liabilities             |                  |                  |
| Other non-current liabilities               |                  |                  |
| Total non-current liabilities               | 1,000,000.00     |                  |
| Total liabilities                           | 326,413,082.48   | 370,446,237.25   |
| Owner's equity:                             |                  |                  |
| Capital stock                               | 3,881,608,005.00 | 3,881,608,005.00 |
| Other equity instruments                    |                  |                  |
| Including: Preferred share                  |                  |                  |
| Perpetual bond                              |                  |                  |
| Capital reserve                             | 2,682,647,086.15 | 2,682,647,086.15 |
| Less: Treasury stock                        |                  |                  |
| Other comprehensive income                  |                  |                  |
| Special reserves                            |                  |                  |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Surplus reserve                      | 7,884,654,620.01  | 6,652,731,832.83  |
| Undistributed profit                 | 34,542,304,965.71 | 30,053,733,489.62 |
| Total owners' equity                 | 48,991,214,676.87 | 43,270,720,413.60 |
| Total liabilities and owners' equity | 49,317,627,759.35 | 43,641,166,650.85 |

### 3. Consolidated Income Statement

Unit: RMB

| Item  | Year 2019         | Year 2018         |
|---|-------------------|-------------------|
| I. Total operating revenue                  | 50,118,105,877.14 | 40,030,189,599.87 |
| Including: Operating revenue                | 50,118,105,877.14 | 40,030,189,599.87 |
| Interest revenue                            |                   |                   |
| Premium earned                              |                   |                   |
| Commission charge and commission revenue    |                   |                   |
| II. Total operating cost                    | 26,123,144,090.12 | 21,513,284,355.90 |
| Including: Cost of sales                    | 12,802,259,947.34 | 10,486,782,934.27 |
| Interest expenditure                        |                   |                   |
| Commission charge and commission expense    |                   |                   |
| Surrender value                             |                   |                   |
| Net amount of expense of compensation       |                   |                   |
| Net provision for insurance contracts       |                   |                   |
| Bonus insurance expense                     |                   |                   |
| Reinsurance expense                         |                   |                   |
| Tax and surcharges                          | 6,984,343,102.55  | 5,908,497,298.57  |
| Selling expenses                            | 4,985,579,336.77  | 3,778,433,675.01  |
| Administrative expenses                     | 2,655,347,148.09  | 2,340,498,705.44  |
| Research and development expense            | 126,360,421.11    | 84,082,506.26     |
| Financial expenses                          | -1,430,745,865.74 | -1,085,010,763.65 |
| Including: Interest expense                 |                   |                   |
| Interest revenue                            | 1,416,398,912.72  | 1,081,572,031.13  |
| Plus: Other incomes                         | 159,712,241.81    | 106,229,000.81    |
| Investment income (loss indicated with "-") | 92,500,753.05     | 100,864,555.27    |

|  |                   |                   |
|--|-------------------|-------------------|
| Including: Investment income from associates and joint-ventures                            | 92,500,753.05     | 100,864,555.05    |
| Income on de-recognition of financial assets measured at amortized cost                    |                   |                   |
| Exchange income (loss indicated with "-")  |                   |                   |
| Net exposure hedging income (loss indicated with "-")                                      |                   |                   |
| Income from changes of fair value (loss indicated with "-")                                |                   |                   |
| Credit impairment loss (loss indicated with "-")   | -1,133,580.27     |                   |
| Asset impairment loss (loss indicated with "-")  | -3,020,763.91     | -10,879,427.89    |
| Gain from disposal of assets (loss indicated with "-")                                     | 2,779,400.03      | 5,273,892.02      |
| III. Operating profit (loss indicated with "-")  | 24,245,799,837.73 | 18,718,393,264.18 |
| Plus: Non-operating revenue  | 29,890,272.65     | 43,803,121.66     |
| Less: Non-operating expenditure  | 169,678,066.85    | 155,373,729.64    |
| IV. Total profit (total loss indicated with "-")   | 24,106,012,043.53 | 18,606,822,656.20 |
| Less: Income tax expenses  | 5,877,756,764.92  | 4,568,172,529.72  |
| V. Net profit (net loss indicated with "-")  | 18,228,255,278.61 | 14,038,650,126.48 |
| (I) Classification by business continuity  |                   |                   |
| 1. Net profit from continuing operations (net loss indicated with "-")                     | 18,228,255,278.61 | 14,038,650,126.48 |
| 2. Net profit from discontinued operations (net loss indicated with "-")                   |                   |                   |
| (II) Classification by ownership   |                   |                   |
| 1. Net profit attributable to owner of parent company                                      | 17,402,164,190.16 | 13,384,246,683.60 |
| 2. Minority interest income  | 826,091,088.45    | 654,403,442.88    |
| VI. Net amount of other comprehensive income after tax                                     |                   |                   |
| Net amount of other comprehensive income after tax attributable to owner of parent company |                   |                   |

|   |  |  |
|---|--|--|
| (I) Other comprehensive income that cannot be reclassified into the profit and loss                   |  |  |
| 1. Changes arising from the remeasurement of defined benefit plan                                     |  |  |
| 2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method |  |  |
| 3. Changes in fair value of other equity instrument investment  |  |  |
| 4. Changes in fair value of corporate credit risk   |  |  |
| 5. Others   |  |  |
| (II) Other comprehensive income that will be reclassified into the profit and loss                    |  |  |
| 1. Other comprehensive income that can be reclassified into profit or loss under the equity method    |  |  |
| 2. Changes in fair value of other debt investments  |  |  |
| 3. Changes in fair value through profit and loss of available-for-sale financial assets               |  |  |
| 4. Amount of financial assets reclassified into other comprehensive income                            |  |  |
| 5. Held-to-maturity investment reclassified into available-for-sale financial assets                  |  |  |
| 6. Credit impairment provision for other debt investments   |  |  |
| 7. Cash flow reserve  |  |  |
| 8. Balance arising from the translation of foreign currency financial statements                      |  |  |
| 9. Others   |  |  |
| Net amount of other comprehensive income after tax attributable to minority shareholders              |  |  |

|  |                   |                   |
|--|-------------------|-------------------|
| VII. Total comprehensive income                                    | 18,228,255,278.61 | 14,038,650,126.48 |
| Total comprehensive income attributable to owner of parent company | 17,402,164,190.16 | 13,384,246,683.60 |
| Total comprehensive income attributable to minority shareholders   | 826,091,088.45    | 654,403,442.88    |
| VIII. Earnings per share:  |                   |                   |
| (I) Basic earnings per share                                       | 4.483             | 3.474             |
| (II) Diluted earnings per share                                    | 4.483             | 3.474             |

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

Legal representative: Zeng Congqin  
of accounting firm: Luo Jun

Responsible person for accounting: Luo Wei Responsible person

#### 4. Income Statement of Parent Company

Unit: RMB

| Item  | Year 2019         | Year 2018        |
|---|-------------------|------------------|
| I. Operating revenue  | 557,807.81        | 1,197,774.65     |
| Less: Cost of sales   | 0.00              | 0.00             |
| Tax and surcharges  | 530,756.77        | 76,818.28        |
| Selling expenses  |                   |                  |
| Administrative expenses   | 112,675,199.88    | 93,588,881.24    |
| Research and development expense  | 42,509,849.28     | 20,665,781.90    |
| Financial expenses  | -747,727,624.11   | -554,311,669.26  |
| Including: Interest expense   |                   |                  |
| Interest revenue  | 747,767,664.67    | 554,545,450.89   |
| Plus: Other incomes   | 2,672,800.00      | 12,442,869.40    |
| Investment income (loss indicated with "-")   | 11,979,399,612.91 | 8,596,460,952.96 |
| Including: Investment income from associates and joint-ventures                                   | 92,458,647.87     | 100,740,183.08   |
| Income on de-recognition of financial assets measured at amortized cost (loss indicated with "-") |                   |                  |
| Net exposure hedging income (loss indicated with "-")   |                   |                  |

|   |                   |                  |
|---|-------------------|------------------|
| Income from changes of fair value (loss indicated with "-")   |                   |                  |
| Credit impairment loss (loss indicated with "-")  | -506,172.26       |                  |
| Asset impairment loss (loss indicated with "-")   |                   | -143,797.84      |
| Gain from disposal of assets (loss indicated with "-")  |                   |                  |
| II. Operating profit (loss indicated with "-")  | 12,574,135,866.64 | 9,049,937,987.01 |
| Plus: Non-operating revenue   | 670,614.65        | 604,043.30       |
| Less: Non-operating expenditure   | 147,551,770.23    | 125,999,155.37   |
| III. Total profit (total loss indicated with "-")   | 12,427,254,711.06 | 8,924,542,874.94 |
| Less: Income tax expenses   | 108,026,839.29    | 83,515,112.50    |
| IV. Net profit (net loss indicated with "-")  | 12,319,227,871.77 | 8,841,027,762.44 |
| (I) Net profit from continuing operations (net loss indicated with "-")                               | 12,319,227,871.77 | 8,841,027,762.44 |
| (II) Net profit from discontinued operations (net loss indicated with "-")                            |                   |                  |
| V. Net amount of other comprehensive income after tax   |                   |                  |
| (I) Other comprehensive income that cannot reclassified into the profit and loss                      |                   |                  |
| 1. Changes arising from the remeasurement of defined benefit plan                                     |                   |                  |
| 2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method |                   |                  |
| 3. Changes in fair value of other equity instrument investment  |                   |                  |
| 4. Changes in fair value of corporate credit risk   |                   |                  |
| 5. Others   |                   |                  |

|  |                   |                  |
|--|-------------------|------------------|
| (II) Other comprehensive income that will be reclassified into the profit and loss                 |                   |                  |
| 1. Other comprehensive income that can be reclassified into profit or loss under the equity method |                   |                  |
| 2. Changes in fair value of other debt investments   |                   |                  |
| 3. Changes in fair value through profit and loss of available-for-sale financial assets            |                   |                  |
| 4. Amount of financial assets reclassified into other comprehensive income                         |                   |                  |
| 5. Held-to-maturity investment reclassified into available-for-sale financial assets               |                   |                  |
| 6. Credit impairment provision for other debt investments  |                   |                  |
| 7. Cash flow reserve   |                   |                  |
| 8. Balance arising from the translation of foreign currency financial statements                   |                   |                  |
| 9. Others  |                   |                  |
| VI. Total comprehensive income   | 12,319,227,871.77 | 8,841,027,762.44 |
| VII. Earnings per share:   |                   |                  |
| (I) Basic earnings per share   |                   |                  |
| (II) Diluted earnings per share  |                   |                  |

## 5. Consolidated Cash Flow Statement

Unit: RMB

| Item  | Year 2019         | Year 2018         |
|---|-------------------|-------------------|
| I. Cash flows from operating activities:                            |                   |                   |
| Cash received from the sales of goods and the rendering of services | 63,111,448,367.92 | 46,031,388,431.46 |
| Net increase in customer deposit and interbank deposit              |                   |                   |



|   |                   |                   |
|---|-------------------|-------------------|
| Net increase in loan from central bank                        |                   |                   |
| Net increase in capital borrowed                              |                   |                   |
| Cash received from original insurance contract fee            |                   |                   |
| Net cash received from reinsurance business                   |                   |                   |
| Insured savings and net increase of investment                |                   |                   |
| Cash received from interest, commission charge and commission |                   |                   |
| Net increase of capital borrowed                              |                   |                   |
| Net increase of returned business capital                     |                   |                   |
| Net cash received from securities trading brokerage           |                   |                   |
| Receipts of tax refunds                                       | 29,278,082.30     | 17,688,897.86     |
| Other cash received relating to operating activities          | 1,463,776,630.55  | 1,237,237,895.28  |
| Sub-total of cash inflows from operating activities           | 64,604,503,080.77 | 47,286,315,224.60 |
| Cash payments for goods purchased and services received       | 16,858,330,333.04 | 13,866,014,356.07 |
| Net increase of customer loans and advances                   |                   |                   |
| Net increase of deposits in central bank and interbank        |                   |                   |
| Cash paid for original insurance contract compensation        |                   |                   |
| Net increase in capital lent                                  |                   |                   |
| Cash paid for interest, commission charge and commission      |                   |                   |
| Cash paid for policy dividend                                 |                   |                   |
| Cash paid to employee and for employee                        | 5,633,645,226.36  | 4,824,010,398.00  |
| Payments of all types of taxes                                | 15,634,936,299.82 | 13,308,818,523.69 |
| Other cash paid relating to operating activities              | 3,365,519,180.89  | 2,970,112,911.94  |

|   |                   |                   |
|---|-------------------|-------------------|
| Sub-total of cash outflows from operating activities  | 41,492,431,040.11 | 34,968,956,189.70 |
| Net cash flows from operating activities  | 23,112,072,040.66 | 12,317,359,034.90 |
| II. Cash flows from investing activities:   |                   |                   |
| Cash received from disposals and withdraw on investment   |                   | 8,000,000.00      |
| Cash received from investment income  |                   | 36,240,580.82     |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets    | 92,050,811.98     | 5,584,385.41      |
| Net cash received from disposal of subsidiaries and other business units                          |                   |                   |
| Other cash received relating to investing activities  |                   |                   |
| Sub-total of cash inflows from investing activities   | 92,050,811.98     | 49,824,966.23     |
| Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets | 1,698,655,125.66  | 381,381,461.74    |
| Cash payments to acquire investments  | 9,800,000.00      |                   |
| Net increase of mortgaged loans   |                   |                   |
| Net cash payments for acquisitions of subsidiaries and other business units                       |                   |                   |
| Other cash payments relating to investing activities  |                   |                   |
| Sub-total of cash outflows from investing activities  | 1,708,455,125.66  | 381,381,461.74    |
| Net cash flows from investing activities  | -1,616,404,313.68 | -331,556,495.51   |
| III. Cash flows from financing activities:  |                   |                   |
| Cash received from investors in making investment in the enterprise                               |                   | 1,813,717,926.36  |

|   |                   |                   |
|---|-------------------|-------------------|
| Including: Cash received from subsidiaries' absorption of minority shareholders' investment |                   | 980,000.00        |
| Cash received from borrowings   |                   |                   |
| Other cash received relating to financing activities  |                   |                   |
| Sub-total of cash inflows from financing activities   |                   | 1,813,717,926.36  |
| Cash repayments of amounts borrowed   |                   |                   |
| Cash paid for distribution of dividends or profits, or cash payments for interests          | 7,251,646,962.56  | 5,409,549,048.53  |
| Including: Dividends and profits paid by subsidiaries to minority shareholders              | 652,913,354.06    | 363,458,642.03    |
| Other cash payments relating to financing activities  |                   | 22,092,404.60     |
| Sub-total of cash outflows from financing activities  | 7,251,646,962.56  | 5,431,641,453.13  |
| Net cash flows from financing activities  | -7,251,646,962.56 | -3,617,923,526.77 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents                    | 63,661.42         | 366,479.55        |
| V. Net increase in cash and cash equivalents  | 14,244,084,425.84 | 8,368,245,492.17  |
| Plus: Beginning balance of cash and cash equivalents  | 48,960,048,897.95 | 40,591,803,405.78 |
| VI. Ending balance of cash and cash equivalents   | 63,204,133,323.79 | 48,960,048,897.95 |

## 6. Cash Flow Statement of Parent Company

Unit: RMB

| Item  | Year 2019  | Year 2018    |
|---|------------|--------------|
| I. Cash flows from operating activities:                            |            |              |
| Cash received from the sales of goods and the rendering of services | 592,800.00 | 1,338,997.84 |

|   |                   |                  |
|---|-------------------|------------------|
| Receipts of tax refunds   |                   |                  |
| Other cash received relating to operating activities  | 3,324,064,952.46  | 587,350,043.73   |
| Sub-total of cash inflows from operating activities   | 3,324,657,752.46  | 588,689,041.57   |
| Cash payments for goods purchased and services received   |                   |                  |
| Cash paid to employee and for employee  | 83,616,698.28     | 65,057,183.60    |
| Payments of all types of taxes  | 113,260,133.25    | 62,360,501.58    |
| Other cash paid relating to operating activities  | 342,415,572.20    | 483,672,991.03   |
| Sub-total of cash outflows from operating activities  | 539,292,403.73    | 611,090,676.21   |
| Net cash flows from operating activities  | 2,785,365,348.73  | -22,401,634.64   |
| II. Cash flows from investing activities:   |                   |                  |
| Cash received from disposals and withdraw on investment   |                   |                  |
| Cash received from investment income  | 11,574,757,006.40 | 8,633,589,787.69 |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets    | 5,513.55          | 2,589.45         |
| Net cash received from disposal of subsidiaries and other business units                          |                   |                  |
| Other cash received relating to investing activities  |                   |                  |
| Sub-total of cash inflows from investing activities   | 11,574,762,519.95 | 8,633,592,377.14 |
| Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets | 1,043,835.63      | 5,091,254.39     |
| Cash payments to acquire investments  | 169,473,007.80    | 545,826,992.20   |

|  |                   |                   |
|--|-------------------|-------------------|
| Net cash payments for acquisitions of subsidiaries and other business units        |                   |                   |
| Other cash payments relating to investing activities                               |                   |                   |
| Sub-total of cash outflows from investing activities                               | 170,516,843.43    | 550,918,246.59    |
| Net cash flows from investing activities   | 11,404,245,676.52 | 8,082,674,130.55  |
| III. Cash flows from financing activities:   |                   |                   |
| Cash received from investors in making investment in the enterprise                |                   | 1,812,737,926.36  |
| Cash received from borrowings  |                   |                   |
| Other cash received relating to financing activities                               |                   |                   |
| Sub-total of cash inflows from financing activities                                |                   | 1,812,737,926.36  |
| Cash repayments of amounts borrowed  |                   |                   |
| Cash paid for distribution of dividends or profits, or cash payments for interests | 6,598,733,608.50  | 5,046,090,406.50  |
| Other cash payments relating to financing activities                               |                   | 22,092,404.60     |
| Sub-total of cash outflows from financing activities                               | 6,598,733,608.50  | 5,068,182,811.10  |
| Net cash flows from financing activities   | -6,598,733,608.50 | -3,255,444,884.74 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents           |                   |                   |
| V. Net increase in cash and cash equivalents                                       | 7,590,877,416.75  | 4,804,827,611.17  |
| Plus: Beginning balance of cash and cash equivalents                               | 20,666,489,987.76 | 15,861,662,376.59 |
| VI. Ending balance of cash and cash equivalents                                    | 28,257,367,404.51 | 20,666,489,987.76 |

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

Amount of current period

Unit: RMB

| Item   | Year 2019        |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
|--|------------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|------------------|-------------------|----------------------------|----------------------|-------------------|-------------------|-------------------|----------------------|
|  | Capital stock    | Other equity instruments |                |        | Capital reserve  | Less: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve   | Provision for general risk | Undistributed profit | Others            | Sub-total         | Minority equity   | Total owners' equity |
|  |                  | Preferred share          | Perpetual bond | Others |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| I. Ending balance of previous period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 13,120,411,030.42 |                            | 43,802,603,958.99    |                   | 63,487,270,080.56 | 1,632,169,260.55  | 65,119,439,341.11    |
| Plus: Changes in accounting policy   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| Correction of prior errors   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| Business combination involving enterprises under the same control          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| Others   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| III. Beginning balance of current year                                     | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 13,120,411,030.42 |                            | 43,802,603,958.99    |                   | 63,487,270,080.56 | 1,632,169,260.55  | 65,119,439,341.11    |
| III. Increase/decrease in the current period (decrease indicated with "-") |                  |                          |                |        |                  |                      |                            | 2,971,785,992.59 |                   | 7,831,644,589.07           |                      | 10,803,430,581.66 | 173,177,734.39    | 10,976,608,316.05 |                      |
| (I) Total comprehensive income   |                  |                          |                |        |                  |                      |                            |                  |                   |                            | 17,402,164,190.16    |                   | 17,402,164,190.16 | 826,091,088.45    | 18,228,255,278.61    |
| (II) Capital paid in and reduced by owners                                 |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 1. Common stocks invested by owners  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 2. Capital invested by other equity instrument holders                     |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 3. Amount of share-based payments recognized in owners' equity             |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| (III) Profit distribution  |                  |                          |                |        |                  |                      |                            | 2,971,785,992.59 |                   | -9,570,519,601.09          |                      | -6,598,733,608.50 | -652,913,354.06   | -7,251,646,962.56 |                      |
| 1. Withdrawal of surplus reserve   |                  |                          |                |        |                  |                      |                            | 2,971,785,992.59 |                   | -2,971,785,992.59          |                      |                   |                   |                   |                      |
| 2. Withdrawal of provision for general risk                                |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 3. Distribution to owners (or shareholders)                                |                  |                          |                |        |                  |                      |                            |                  |                   | -6,598,733,608.50          |                      | -6,598,733,608.50 | -652,913,354.06   | -7,251,646,962.56 |                      |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| (IV) Internal transfer of owners' equity                                   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 1. Capital reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 2. Surplus reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 3. Recovery of losses by surplus reserve                                   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 4. Carry forward retained earnings in variation of defined benefit plan    |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 5. Carry forward retained earnings of other comprehensive income           |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 6. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| (V) Special reserves   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 1. Withdrawal of current period  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| 2. Use of current period   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| (I) Others   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |                   |                   |                   |                      |
| IV. Ending balance of current period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 16,092,197,023.01 |                            | 51,634,248,548.06    |                   | 74,290,700,662.22 | 1,805,346,994.94  | 76,096,047,657.16    |

## Amount of previous period

Unit: RMB

| Item   | Year 2018        |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
|--|------------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|------------------|-------------------|----------------------------|----------------------|--------|-------------------|------------------|----------------------|
|  | Capital stock    | Other equity instruments |                |        | Capital reserve  | Less: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve   | Provision for general risk | Undistributed profit | Others | Sub-total         | Minority equity  | Total owners' equity |
|  |                  | Preferred share          | Perpetual bond | Others |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| I. Ending balance of previous period                                       | 3,795,966,720.00 |                          |                |        | 953,255,757.17   |                      |                            |                  | 10,909,576,690.57 |                            |                      |        | 53,334,081,189.48 | 1,340,244,459.70 | 54,674,325,649.18    |
| Plus: Changes in accounting policy   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| Correction of prior errors   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| Business combination involving enterprises under the same control          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| Others   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| III. Beginning balance of current year                                     | 3,795,966,720.00 |                          |                |        | 953,255,757.17   |                      |                            |                  | 10,909,576,690.57 |                            |                      |        | 53,334,081,189.48 | 1,340,244,459.70 | 54,674,325,649.18    |
| III. Increase/decrease in the current period (decrease indicated with "-") | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  | 2,210,834,339.85  |                            |                      |        | 10,153,188,891.08 | 291,924,800.85   | 10,445,113,691.93    |
| (I) Total comprehensive income   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        | 13,384,246,683.60 | 654,403,442.88   | 14,038,650,126.48    |
| (II) Capital paid in and reduced by owners                                 | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  |                   |                            |                      |        | 1,815,032,613.98  | 980,000.00       | 1,816,012,613.98     |
| 1. Common stocks invested by owners  | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  |                   |                            |                      |        | 1,815,032,613.98  | 980,000.00       | 1,816,012,613.98     |
| 2. Capital invested by other equity instrument holders                     |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 3. Amount of share-based payments recognized in owners' equity             |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| (III) Profit distribution  |                  |                          |                |        |                  |                      |                            |                  | 2,210,834,339.85  |                            |                      |        | -5,046,090,406.50 | -363,458,642.03  | -5,409,549,048.53    |
| 1. Withdrawal of surplus reserve   |                  |                          |                |        |                  |                      |                            |                  | 2,210,834,339.85  |                            |                      |        |                   |                  |                      |
| 2. Withdrawal of provision for general risk                                |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 3. Distribution to owners (or shareholders)                                |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        | -5,046,090,406.50 | -363,458,642.03  | -5,409,549,048.53    |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| (IV) Internal transfer of owners' equity                                   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 1. Capital reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 2. Surplus reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 3. Recovery of losses by surplus reserve                                   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 4. Carry forward retained earnings in variation of defined benefit plan    |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 5. Carry forward retained earnings of other comprehensive income           |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 6. Others  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| (V) Special reserves   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 1. Withdrawal of current period  |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| 2. Use of current period   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| (I) Others   |                  |                          |                |        |                  |                      |                            |                  |                   |                            |                      |        |                   |                  |                      |
| IV. Ending balance of current period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 13,120,411,030.42 |                            |                      |        | 63,487,270,080.56 | 1,632,169,260.55 | 65,119,439,341.11    |

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

Amount of current period

Unit: RMB

| Item   | Year 2019        |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
|--|------------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|------------------|------------------|----------------------|--------|----------------------|
|  | Capital stock    | Other equity instruments |                |        | Capital reserve  | Less: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve  | Undistributed profit | Others | Total owners' equity |
|  |                  | Preferred share          | Perpetual bond | Others |                  |                      |                            |                  |                  |                      |        |                      |
| I. Ending balance of previous period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 6,652,731,832.83 | 30,053,733,489.62    |        | 43,270,720,413.60    |
| Plus: Changes in accounting policy   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| Correction of prior errors   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| Others   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| III. Beginning balance of current year                                     | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 6,652,731,832.83 | 30,053,733,489.62    |        | 43,270,720,413.60    |
| III. Increase/decrease in the current period (decrease indicated with "-") |                  |                          |                |        |                  |                      |                            |                  | 1,231,922,787.18 | 4,488,571,476.09     |        | 5,720,494,263.27     |
| (I) Total comprehensive income   |                  |                          |                |        |                  |                      |                            |                  |                  | 12,319,227,871.77    |        | 12,319,227,871.77    |
| (II) Capital paid in and reduced by owners                                 |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 1. Common stocks invested by owners  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 2. Capital invested by other equity instrument holders                     |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 3. Amount of share-based payments recognized in owners' equity             |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (III) Profit distribution  |                  |                          |                |        |                  |                      |                            |                  | 1,231,922,787.18 | -7,830,656,395.68    |        | -6,598,733,608.50    |
| 1. Withdrawal of surplus reserve   |                  |                          |                |        |                  |                      |                            |                  | 1,231,922,787.18 | -1,231,922,787.18    |        |                      |
| 2. Distribution to owners (or shareholders)                                |                  |                          |                |        |                  |                      |                            |                  |                  | -6,598,733,608.50    |        | -6,598,733,608.50    |
| 3. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (IV) Internal transfer of owners' equity                                   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 1. Capital reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 2. Surplus reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 3. Recovery of losses by surplus reserve                                   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 4. Carry forward retained earnings in variation of defined benefit plan    |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 5. Carry forward retained earnings of other comprehensive income           |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 6. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (V) Special reserves   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 1. Withdrawal of current period  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 2. Use of current period   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (I) Others   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| IV. Ending balance of current period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 7,884,654,620.01 | 34,542,304,965.71    |        | 48,991,214,676.87    |



## Amount of previous period

Unit: RMB

| Item   | Year 2018        |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
|--|------------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|------------------|------------------|----------------------|--------|----------------------|
|  | Capital stock    | Other equity instruments |                |        | Capital reserve  | Less: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve  | Undistributed profit | Others | Total owners' equity |
|  |                  | Preferred share          | Perpetual bond | Others |                  |                      |                            |                  |                  |                      |        |                      |
| I. Ending balance of previous period                                       | 3,795,966,720.00 |                          |                |        | 953,255,757.17   |                      |                            |                  | 5,768,629,056.59 | 27,142,898,909.92    |        | 37,660,750,443.68    |
| Plus: Changes in accounting policy   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| Correction of prior errors   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| Others   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| III. Beginning balance of current year                                     | 3,795,966,720.00 |                          |                |        | 953,255,757.17   |                      |                            |                  | 5,768,629,056.59 | 27,142,898,909.92    |        | 37,660,750,443.68    |
| III. Increase/decrease in the current period (decrease indicated with "-") | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  | 884,102,776.24   | 2,910,834,579.70     |        | 5,609,969,969.92     |
| (I) Total comprehensive income   |                  |                          |                |        |                  |                      |                            |                  |                  | 8,841,027,762.44     |        | 8,841,027,762.44     |
| (II) Capital paid in and reduced by owners                                 | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  |                  |                      |        | 1,815,032,613.98     |
| 1. Common stocks invested by owners  | 85,641,285.00    |                          |                |        | 1,729,391,328.98 |                      |                            |                  |                  |                      |        | 1,815,032,613.98     |
| 2. Capital invested by other equity instrument holders                     |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 3. Amount of share-based payments recognized in owners' equity             |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 4. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (III) Profit distribution  |                  |                          |                |        |                  |                      |                            |                  | 884,102,776.24   | -5,930,193,182.74    |        | -5,046,090,406.50    |
| 1. Withdrawal of surplus reserve   |                  |                          |                |        |                  |                      |                            |                  | 884,102,776.24   | -884,102,776.24      |        |                      |
| 2. Distribution to owners (or shareholders)                                |                  |                          |                |        |                  |                      |                            |                  |                  | -5,046,090,406.50    |        | -5,046,090,406.50    |
| 3. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (IV) Internal transfer of owners' equity                                   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 1. Capital reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 2. Surplus reserve transfer to paid-in capital (or capital stock)          |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 3. Recovery of losses by surplus reserve                                   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 4. Carry forward retained earnings in variation of defined benefit plan    |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 5. Carry forward retained earnings of other comprehensive income           |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 6. Others  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (V) Special reserves   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 1. Withdrawal of current period  |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| 2. Use of current period   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| (I) Others   |                  |                          |                |        |                  |                      |                            |                  |                  |                      |        |                      |
| IV. Ending balance of current period                                       | 3,881,608,005.00 |                          |                |        | 2,682,647,086.15 |                      |                            |                  | 6,652,731,832.83 | 30,053,733,489.62    |        | 43,270,720,413.60    |

### III. Company Profile

#### 1. Company history

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

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

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

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

According to the Notice on Free Transfer of Shares Held by State-owned Shareholders of Wuliangye Yibin Co., Ltd. of the State-owned Assets Supervision and Administration Commission of Sichuan Province (CGZCQ (2012) No.88) and the Reply on Free Transfer of Shares Held by State-owned Shareholders of Wuliangye Yibin Co., Ltd. of the State-owned Assets Supervision and Administration Commission of the State Council (GZCQ (2012) No.889), Yibin State-Owned Assets

Operation Co., Ltd. transferred 761,823,343 shares held by it in the Company to Wuliangye Group for free on October 10, 2012. After this free transfer of shares, Yibin State-Owned Assets Operation 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; Wuliangye Group, holding 20.07% shares of the Company (i.e. 761,823,343 shares), was the second majority shareholder of the Company.

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

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

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

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

## 3. Approval of financial statements

These financial statements have been reviewed and approved by the board of directors of the Company on April 24, 2020, and will be submitted to the general meeting for review according to the Articles of Association.

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

As of December 31, 2019, subsidiaries included in the scope of consolidated financial statements of the Company were:

| Full name of subsidiary                                    | Type of subsidiary      | Tier        | Shareholding proportion | Proportion of votes |
|--|-------------------------|-------------|-------------------------|---------------------|
| Sichuan Yibin Wuliangye Winery Co., Ltd.                   | Holding subsidiary      | First-tier  | 99.99%                  | 99.99%              |
| Yibin Wuliangye Liquor Sales Co., Ltd.                     | Holding subsidiary      | First-tier  | 95.00%                  | 95.00%              |
| Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd.     | Holding subsidiary      | Second-tier | 95.00%                  | 95.00%              |
| Yibin Wuliangchun Brand Marketing Co., Ltd.                | Holding subsidiary      | Second-tier | 95.00%                  | 95.00%              |
| Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.    | Holding subsidiary      | Second-tier | 95.00%                  | 95.00%              |
| Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.     | Holding subsidiary      | First-tier  | 99.95%                  | 99.95%              |
| Yibin Jiangjiu Liquor Co., Ltd.                            | Wholly-owned subsidiary | First-tier  | 100.00%                 | 100.00%             |
| Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. | Holding subsidiary      | First-tier  | 51.00%                  | 51.00%              |
| Sichuan Jinwuxin Technology Co., Ltd.                      | Holding subsidiary      | Second-tier | 51.00%                  | 51.00%              |

|  |                         |             |         |         |
|--|-------------------------|-------------|---------|---------|
| Sichuan Jiebeike Environmental Technology Co., Ltd.          | Holding subsidiary      | Second-tier | 26.01%  | 26.01%  |
| Yibin Changjiangyuan Liquor Co., Ltd.                        | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Yibin Changjiangyuan Trade Co., Ltd.                         | Wholly-owned subsidiary | Second-tier | 100.00% | 100.00% |
| Yibin Changjiangyuan Brewery Co., Ltd.                       | Wholly-owned subsidiary | Second-tier | 100.00% | 100.00% |
| Yibin Wuliangye Organic Agriculture Development Co., Ltd.    | Wholly-owned subsidiary | Second-tier | 100.00% | 100.00% |
| Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.          | Holding subsidiary      | First-tier  | 90.00%  | 90.00%  |
| Yibin Xianlin Liquor Marketing Co., Ltd.                     | Holding subsidiary      | Second-tier | 90.00%  | 90.00%  |
| Yibin Wuliangye Xinshengdai Liquor Co., Ltd.                 | Holding subsidiary      | Second-tier | 42.30%  | 42.30%  |
| Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.           | Holding subsidiary      | First-tier  | 98.53%  | 98.53%  |
| Yibin Xinxing Packaging Co., Ltd.                            | Holding subsidiary      | Second-tier | 98.53%  | 98.53%  |
| Sichuan Yibin Plastic Packaging Materials Company Limited    | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.          | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.    | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Sichuan Yibin Push Group 3D Co., Ltd.                        | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Guangdong Foshan Plastic Packaging Materials Company Limited | Wholly-owned subsidiary | Second-tier | 100.00% | 100.00% |
| Sichuan Yibin Wuliangye Investment (Consulting) Co.,Ltd.     | Holding subsidiary      | First-tier  | 95.00%  | 95.00%  |
| Wuhou Cultural Development Co., Ltd.                         | Holding subsidiary      | Second-tier | 70.30%  | 70.30%  |
| Yibin Zhenwushan Liquor Co., Ltd.                            | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Yibin Shiji Liquor Co., Ltd.                                 | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Yibin Cuiplingshan Liquor Co., Ltd.                          | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Wuliangye Dashijie (Beijing) Trade Co., Ltd.                 | Holding subsidiary      | First-tier  | 95.00%  | 95.00%  |
| Handan Yongbufenli Liquor Co., Ltd.                          | Holding subsidiary      | First-tier  | 51.00%  | 51.00%  |
| Linzhang Desheng Wine Trade Co., Ltd.                        | Holding subsidiary      | Second-tier | 51.00%  | 51.00%  |
| Handan Yongbufenli Sales Co., Ltd.                           | Holding subsidiary      | Second-tier | 51.00%  | 51.00%  |
| Huaibin Wubin Consultation Service Co., Ltd.                 | Wholly-owned subsidiary | First-tier  | 100.00% | 100.00% |
| Wuguchun Jiu Ye Co., Henan. China                            | Holding subsidiary      | Second-tier | 51.03%  | 51.03%  |
| Huaibin Tenglong Trade Co., Ltd.                             | Holding subsidiary      | Third-tier  | 51.03%  | 51.03%  |

|  |                    |             |        |        |
|--|--------------------|-------------|--------|--------|
| Wuguchun Jiu Ye Sales Co., Henan. China                | Holding subsidiary | Third-tier  | 51.03% | 51.03% |
| Sichuan Wuliangye Culture Tourism Development Co., LTD | Holding subsidiary | First-tier  | 80.00% | 80.00% |
| Sichuan Wuliangye Tourist Agency Co., Ltd.             | Holding subsidiary | Second-tier | 80.00% | 80.00% |
| Yibin Wuliangye Creat Co., Ltd.                        | Holding subsidiary | First-tier  | 45.00% | 51.00% |
| Wuliang NongXiang Series Baijiu Yibin Co., Ltd.        | Holding subsidiary | First-tier  | 95.00% | 95.00% |

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

#### IV. Preparation basis of financial statements

##### 1. Preparation basis

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

##### 2. Going concern

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

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

Specific accounting policy and accounting estimates:

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

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

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

##### 2. Accounting period

From January 1 to December 31 of each calendar year.

##### 3. Operating cycle

The Company's operating cycle is 12 months.

##### 4. Bookkeeping currency

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

##### 5. Accounting methods for business combination involving enterprises under and not under the same control

(1) Business combination involving enterprises under the same control

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

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

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

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

① In the individual financial statements, the sum of book value of the equity investment held in the acquiree prior to the date of acquisition and cost of the new investment on the date of acquisition shall be taken as the initial cost of such investment; Where the equity held in the acquiree prior to the date of acquisition involves other comprehensive income, the other comprehensive income related to such investment (eg. part of the changes in fair value of the available-for-sale financial assets which is recorded into capital reserve, the same below) shall be transferred to current investment income.

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

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

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

## 6. Methods for preparing consolidated financial statements

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

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

(2) Methods for preparing consolidated financial statements:

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

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

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

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

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

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

Joint venture arrangements include joint operations and joint ventures.

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

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

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

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

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

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

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

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

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

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

## **9. Foreign currency transaction and translation of financial statements prepared in foreign currencies**

(1) Accounting methods of foreign currency transaction:

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

(2) Translation methods for foreign currency financial statements:

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

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

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

## **10. Financial instruments**

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



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

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

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

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

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

## (2) Classification and measurement of financial assets

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

## 1) Initial measurement of financial assets

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

## 2) Subsequent measurement of financial assets

## ① Investments in debt instruments measured at amortized cost

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

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

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

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

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

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

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

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

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

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

(4) Classification and measurement of financial liabilities

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

1) Initial measurement of financial liabilities

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

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

2) Subsequent measurement of financial liabilities

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

② Financial liabilities at fair value through profit or loss: Including trading financial liabilities

(including derivative instruments belonging to financial liabilities) and the financial liabilities at fair value through profit and loss upon initial recognition.

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

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

(5) Offset of financial assets and financial liabilities

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

(6) Fair value determination of financial instruments

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

(7) Impairment of financial instruments

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

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

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

12-month expected credit loss refers to expected credit loss possibly incurred within 12 months (if the expected lifetime of the financial instrument is less than 12 months, the expected lifetime) after the date of balance sheet due to possible defaults of financial instruments and is an integral part of the lifetime expected credit loss.

On the date of balance sheet, the Company measured the expected credit loss of financial

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

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

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

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

#### 1) Accounts receivable

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

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

| Item                              | Determination basis   |
|-----------------------------------|---|
| Bank acceptance bill group        | Bank acceptance bill  |
| Commercial acceptance bills group | Commercial acceptance bills                                       |
| Accounts receivable group         | Receivables from related parties                                  |
| Accounts receivable group         | External customer   |
| Other accounts receivable group   | Receivables from and payables to related parties                  |
| Other accounts receivable group   | Reserve fund, deposits and other receivables with low credit risk |
| Other accounts receivable group   | Other amounts   |

For accounts receivable divided into risk groups, the Company, with reference to historical experience in credit loss and based on current situation and forecast of future economic situation, shall prepared a comparison table between the aging of accounts receivable and the lifetime expected credit

loss rate to calculate the expected credit losses. For other groups, the Company, with reference to historical experience in credit loss and based on current situation and forecast of future economic situation, shall calculate the expected credit losses according to the exposure at default and the 12-month or lifetime expected credit loss rate.

#### 2) Creditors investments and other debt investments

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

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

### 11. Inventory

#### (1) Classification of inventory

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

#### (2) Valuation method of inventory

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Inventory system

The inventory system is a perpetual inventory system.

(5) Amortization method for low-value consumables

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

## 12. Assets held for sale

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

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

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

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

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

1) Initial measurement and subsequent measurement

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

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

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

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

2) Accounting treatment for reversal of asset impairment loss

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

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

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

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

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

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

### 13. Long-term equity investment

#### (1) Determination of initial investment cost

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

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

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

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

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

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

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

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

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

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

If the initial cost of long-term equity investment is greater than the fair value of identifiable net assets of the invested company gained from the investment, the initial cost of long-term equity investment shall not be adjusted; If the initial investment cost is smaller than the fair value of identifiable



net assets of the invested company gained from the investment, the difference shall be recorded into current profit or loss, and the cost of long-term equity investments shall be adjusted.

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

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

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

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

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

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

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

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

In case of loss of common control or significant influence on the invested company due to disposal of part of the equity investments, residual equity will be accounted by the recognition and measurement criterion for financial instruments. The difference between the fair value on the date of losing common control or significant influence and the book value shall be recorded into current profit or loss. Other comprehensive income recognized due to accounting of the original equity investment by equity method shall be accounted for on the same basis as the invested company's direct disposal of the relevant

assets or liabilities when stop using equity method. Owner's equity recognized due to other changes in other owners' equity other than the net profit or loss, other comprehensive income and profit distribution of the invested company will all be carried forward into current profit or loss when stop using equity method.

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

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

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

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

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

## **14. Fixed assets**

### **(1) Recognition conditions**

Fixed assets refer to tangible assets which are held for producing goods, providing services, renting or operation and management and with service life more than one year and high unit value.

Costs of outsourced fixed assets include purchase price, import duty and other relevant taxes, and other expenditure incurred before and for making the fixed assets reaching its intended condition for use directly attributable to such assets.

Book value of self-constructed fixed assets shall be the necessary expenditures incurred before and for making the fixed assets reaching its intended condition for use.

Book value of fixed assets invested by investors shall be the value recognized by the investors.

Subsequent expenditures related to fixed assets shall be recorded into the cost of fixed assets if meeting the recognition conditions for fixed assets, and shall be recorded into current profit or loss if not meeting the recognition conditions for fixed assets.

**(2) Depreciation method**

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

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

The fixed assets under financing lease are recognized if one of the following conditions is specified by the Company and the leaser in their lease agreement:

- ① Upon the expiration of the lease term, the ownership of the leased asset belongs to the Company;
- ② The Company has the option to purchase the asset and the purchase price is far lower than the fair value of such asset at the time of exercising the option;
- ③ The lease term covers most of the useful life of the leased asset;
- ④ There is no large difference between the present value of the minimum lease payments on the commencement date of lease and fair value of the assets.

On the commencement date of lease, book value of the leased assets is the lower of the fair value of the leased assets and the present value of the minimum lease payments, and minimum lease payments shall be taken as the book value of the long-term payables, with the difference recognized as unrecognized financing costs.

**15. Construction in progress**

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

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

**16. Borrowing costs**

(1) Recognition principles of borrowing costs:

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

intended condition for use, shall be capitalized at the time of occurrence; other auxiliary expenses shall be recognized as expenses in current period and recorded into current profit or loss.

(2) Capitalization period of borrowing costs:

① Commencement of 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.

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

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

(3) Capitalized amount of borrowing costs:

Capitalized amount of interest of special borrowings during each accounting period shall be the amount of interest expenses actually incurred in the current period less the interest revenue of the borrowings unused and deposited in bank or the amount of investment income from temporary investment. Interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the excess of accumulated asset disbursements over the special borrowings by the capitalization rate of used general borrowings.

(4) Determination principles of capitalization rate:

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

## 17. Intangible assets

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

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

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

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

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

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

research phase expenditures and development phase expenditures.

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

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

- ② It is technically feasible to complete this intangible assets so that it can be used or sold.
- ② Have the intention to complete the intangible assets and use or sell them.
- ③ The way in which intangible assets generate economic benefits, including the ability to prove that the products produced using the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, can prove their usefulness; Sufficient technical, financial resources and other resources support to complete the development of the intangible asset and the ability to use or sell the intangible asset; the expenditure attributable to the development stage of the intangible asset can be reliably measured.

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

For the long-term equity investments, investment properties, fixed assets, construction in progress, intangible assets, and other long-term assets measured at cost model, if there are signs of impairment, an impairment test shall be conducted on the date of balance sheet. If the recoverable amount of the asset is less than its book value according to the test, provision for impairment will be made at the difference and recorded into impairment loss. Recoverable amount is the higher of the net amount of fair value of an asset deducting the disposal expenses and the present value of estimated future cash flow of the asset. The provision for impairment of assets is calculated and made on an individual basis. If it is difficult for the Company to estimate the recoverable amount of the individual asset, the recoverable amount of an asset group, to which the said asset belongs, shall be determined. Asset group is the smallest asset group that can independently generate cash inflows.

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

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

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

Company shall recognize the impairment loss of goodwill.

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

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

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

## **20. Payroll**

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

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

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

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

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

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

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

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

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

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

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

② The date when the enterprise recognizes the cost or expense related to the reorganization

related to payment of the dismissal benefits.

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

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

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

### **21. Estimated liabilities**

#### **(1) Recognition criteria for estimated liabilities**

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

- ① The obligation is the current obligation assumed by the Company.
- ② The performance of this obligation may result in the outflow of economic benefits.
- ③ The amount of this obligation can be reliably measured.

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

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

### **22. Revenue**

Whether new revenue standards have been implemented

Yes  No

#### **(1) Revenue from selling goods**

Revenue shall be recognized when the following conditions are met: The Company has transferred the substantial risks and rewards of ownership of the goods to the buyer; the Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; the amount of revenue can be measured reliably; the relevant economic benefits may flow into the Company; and the relevant costs that have occurred or will occur can be measured reliably.

#### **(2) Revenue from rendering service**

Revenue from rendering service shall be recognized when the results of labor service transaction meet the following conditions at the same time: The amount of revenue can be measured reliably; the relevant economic benefits may flow into the Company; the progress of the transaction can be reliably determined; and the relevant costs that have occurred or will occur in the transaction can be measured reliably.

If the results of labor service transactions cannot be estimated reliably, they shall be treated separately as below: If the labor service costs incurred are expected to be compensated, the labor service revenue is recognized according to the labor cost already incurred and labor cost is recognized at the same amount. If the labor cost already incurred is not expected to be compensated, the labor cost

already incurred is included in profit or loss for the current period, and the revenue from the provision of service is not recognized.

(3) Revenue from transfer of the right-of-use assets

Revenue shall be recognized when the following conditions are met: The economic benefits related to the transaction may flow into the Company; the amount of revenue can be measured reliably.

### 23. Government subsidy

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

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

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

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

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

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

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

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

The specific criteria that the Company classifies government subsidies as income-related is: Other government subsidies other than asset-related government subsidies.

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

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

(3) The government subsidies related to daily activities of the Company shall be recorded into other incomes or used to offset relevant costs and expenses according to the substance of the economic



business. The government subsidies irrelevant with the daily activities of the Company shall be recorded into non-operating revenue.

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

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

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

Deferred income tax assets shall be recognized within the limit of taxable income which the Company may obtain for deducting deductible temporary differences, deductible losses and tax deduction. Deferred income tax assets and deferred income tax liabilities arising from temporary differences related to the investment in subsidiaries and associates shall be recognized. If the time of reversal of temporary differences can be controlled by the Company and the temporary differences are likely to not be reversed in the foreseeable future, deferred income tax assets and liabilities shall not be recognized.

#### **25. Leases**

##### **(1) Accounting treatment of operating lease**

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

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

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

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

##### **(2) Accounting treatment of financial lease**

① Assets leased in under financial leases: On the commencement date of lease, book value of

the leased assets is the lower of the fair value of the leased assets and the present value of the minimum lease payments. The minimum lease payment is taken as the book value of the long-term payables, and the difference between them is taken as unrecognized financing expenses. The Company adopts the effective interest rate method for unrecognized financing charges, which shall be amortized over the lease term and recorded into financial expenses. The Company records the initial direct expenses in the values of leased assets.

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

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

### (1) Changes in significant accounting policy

Applicable  Not applicable

| Content and reason of changes in accounting policy   | Approval procedures | Remarks  |
|--|---------------------|--|
| Presentation of financial statement: The Ministry of Finance issued the <i>Notice on Revising and Printing Formats of Financial Statements for General Enterprises in 2019</i> (CK (2019) No.6) in April, 2019 to revise the format of financial statements of enterprise. |                     | Refer to the following explanations for details of the items in the Financial Statements 2018 which are affected by retroactive adjustment |
| Presentation of financial statement: <i>The Notice on Revising and Printing Formats of Consolidated Financial Statements</i> (2019) (CK (2019) No.16) revised the format of financial statements of enterprise.  |                     |  |

|   |  |
|---|--|
| <p>Changes in accounting policy caused by implementation of new financial instrument standards: The Ministry of Finance issued the <i>Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments</i> (2017 Revision) (CK (2017) No.7), the <i>Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets</i> (2017 Revision) (CK (2017) No.8), the <i>Accounting Standards for Business Enterprises No.24 - Hedging Accounting</i> (2017 Revision) (CK (2017) No.9) on March 31, 2017, and the <i>Accounting Standards for Business Enterprises No.37 - Presentation of Financial Instruments</i> (2017 Revision) (CK (2017) No.14) (the above standards collectively referred to as "New Financial Instrument Standards") on May 2, 2017, requiring enterprises which were simultaneously listed abroad and at home and which were listed abroad and prepared their financial report according to the International Financial Reporting Standards (IFRS) or the Accounting Standards for Business Enterprises (ASBE) to implement such standards since January 1, 2018; and other domestic listed companies to implement such standards since January 1, 2019.</p> | <p>According to the provisions for transition from the old standards to the new standards, information of the comparable period is not adjusted, and the beginning retained earnings or other comprehensive income of the reporting period will be adjusted retroactively for the difference between the new standards and the original standards on the date of initial implementation. Refer to the Note "V. Significant accounting policy and accounting estimates, 26.(3) Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new financial instrument standards, new revenue standards and new lease standards from 2019" for details about impact on the Financial Statements 2018</p> |
|---|--|

The impact of CK (2019) No.6 on the Financial Statements 2018 are presented below:

| Item  | Financial Statements 2018 (Consolidated) |                   | Financial Statements 2018 (Parent Company) |              |
|---|--|-------------------|--|--------------|
|   | Before change                            | After change      | Before change                              | After change |
| Notes receivable and accounts receivable        | 16,261,973,287.83                        |                   |  |              |
| Notes receivable                                |  | 16,134,641,950.86 |  |              |
| Accounts receivable                             |  | 127,331,336.97    |  |              |
| Notes payable and accounts payable              | 3,566,293,179.83                         |                   | 175,000.00                                 |              |
| Notes payable                                   |  | 413,918,369.11    |  |              |
| Accounts payable                                |  | 3,152,374,810.72  |  | 175,000.00   |
| Asset impairment loss                           | 10,879,427.89                            |                   | 143,797.84                                 |              |
| Asset impairment loss (loss indicated with "-") |  | -10,879,427.89    |  | -143,797.84  |

## (2) Changes in significant accounting estimates

Applicable  Not applicable

## (3) Adjustment of relevant items in financial statements at the beginning of the implementation year as a result of initial implementation of new financial instrument standards, new revenue standards and new lease standards from 2019

Applicable  Not applicable

## Consolidated Balance Sheet

Unit: RMB

| Item  | December 31, 2018 | January 01, 2019  | Amount of adjustment |
|---|-------------------|-------------------|----------------------|
| Current assets:                                       |                   |                   |                      |
| Cash and cash equivalents                             | 48,960,048,897.95 | 48,960,048,897.95 |                      |
| Settlement reserves                                   |                   |                   |                      |
| Capital lent  |                   |                   |                      |
| Trading financial assets                              |                   |                   |                      |
| Financial assets at fair value through profit or loss |                   |                   |                      |
| Derivative financial assets                           |                   |                   |                      |
| Notes receivable                                      | 16,134,641,950.86 | 13,864,930,200.55 | -2,269,711,750.31    |
| Accounts receivable                                   | 127,331,336.97    | 127,331,336.97    |                      |
| Accounts receivable financing                         |                   | 2,269,711,750.31  | 2,269,711,750.31     |
| Prepayments   | 220,916,820.64    | 220,916,820.64    |                      |
| Premium receivable                                    |                   |                   |                      |
| Reinsurance receivables                               |                   |                   |                      |
| Contract reserve of reinsurance                       |                   |                   |                      |
| Other receivables                                     | 871,770,375.85    | 871,770,375.85    |                      |
| Including: Interest receivable                        | 840,888,887.75    | 840,888,887.75    |                      |
| Dividends receivable                                  |                   |                   |                      |
| Purchase restituted finance asset                     |                   |                   |                      |
| Inventory   | 11,795,461,088.43 | 11,795,461,088.43 |                      |
| Contract asset  |                   |                   |                      |
| Assets held for sale                                  |                   |                   |                      |
| Non-current assets due within one year                |                   |                   |                      |
| Other current assets                                  |                   |                   |                      |
| Total current assets                                  | 78,110,170,470.70 | 78,110,170,470.70 |                      |
| Non-current assets:                                   |                   |                   |                      |
| Loans and advances                                    |                   |                   |                      |
| Debt investment                                       |                   |                   |                      |
| Available-for-sale financial assets                   | 1,200,000.00      |                   | -1,200,000.00        |
| Other debt investments                                |                   |                   |                      |
| Held-to-maturity investment                           |                   |                   |                      |
| Long-term receivables                                 |                   |                   |                      |
| Long-term equity investment                           | 919,477,978.54    | 919,477,978.54    |                      |
| Other equity instrument investment                    |                   |                   |                      |

|  |                   |                   |              |
|--|-------------------|-------------------|--------------|
| Other non-current financial assets                         |                   | 1,200,000.00      | 1,200,000.00 |
| Investment properties                                      |                   |                   |              |
| Fixed assets   | 5,262,163,428.02  | 5,262,163,428.02  |              |
| Construction in progress                                   | 351,993,452.86    | 351,993,452.86    |              |
| Productive biological assets                               |                   |                   |              |
| Oil and gas assets   |                   |                   |              |
| Right-of-use assets  |                   |                   |              |
| Intangible assets  | 412,650,156.71    | 412,650,156.71    |              |
| Development expenditures                                   |                   |                   |              |
| Goodwill   | 1,621,619.53      | 1,621,619.53      |              |
| Long-term deferred expenses                                | 111,897,668.36    | 111,897,668.36    |              |
| Deferred income tax assets                                 | 871,859,716.03    | 871,859,716.03    |              |
| Other non-current assets                                   | 51,231,242.34     | 51,231,242.34     |              |
| Total non-current assets                                   | 7,984,095,262.39  | 7,984,095,262.39  |              |
| Total assets   | 86,094,265,733.09 | 86,094,265,733.09 |              |
| Current liabilities:                                       |                   |                   |              |
| Short-term loans   |                   |                   |              |
| Loan from central bank                                     |                   |                   |              |
| Capital borrowed   |                   |                   |              |
| Trading financial liabilities                              |                   |                   |              |
| Financial liabilities at fair value through profit or loss |                   |                   |              |
| Derivative financial liabilities                           |                   |                   |              |
| Notes payable  | 413,918,369.11    | 413,918,369.11    |              |
| Accounts payable   | 3,152,374,810.72  | 3,152,374,810.72  |              |
| Accounts received in advance                               | 6,706,735,898.48  | 6,706,735,898.48  |              |
| Contract liability   |                   |                   |              |
| Selling financial asset of repurchase                      |                   |                   |              |
| Absorbing deposit and interbank deposit                    |                   |                   |              |
| Security trading of agency                                 |                   |                   |              |
| Security sales of agency                                   |                   |                   |              |
| Payroll payable  | 2,769,295,510.19  | 2,769,295,510.19  |              |
| Tax payable  | 5,080,135,497.74  | 5,080,135,497.74  |              |
| Other payables   | 2,585,355,687.52  | 2,585,355,687.52  |              |
| Including: Interest payable                                |                   |                   |              |
| Dividend payable   |                   |                   |              |
| Commission charge and commission payable                   |                   |                   |              |
| Reinsurance payables                                       |                   |                   |              |

|   |                   |                   |  |
|---|-------------------|-------------------|--|
| Liabilities held for sale                           |                   |                   |  |
| Non-current liabilities due within one year         |                   |                   |  |
| Other current liabilities                           |                   |                   |  |
| Total current liabilities                           | 20,707,815,773.76 | 20,707,815,773.76 |  |
| Non-current liabilities:                            |                   |                   |  |
| Insurance contract reserve                          |                   |                   |  |
| Long-term loans                                     |                   |                   |  |
| Bonds payable                                       |                   |                   |  |
| Including: Preferred share                          |                   |                   |  |
| Perpetual bond                                      |                   |                   |  |
| Lease liability                                     |                   |                   |  |
| Long-term payable                                   |                   |                   |  |
| Long-term payroll payable                           |                   |                   |  |
| Estimated liabilities                               |                   |                   |  |
| Deferred income                                     | 267,010,618.22    | 267,010,618.22    |  |
| Deferred income tax liabilities                     |                   |                   |  |
| Other non-current liabilities                       |                   |                   |  |
| Total non-current liabilities                       | 267,010,618.22    | 267,010,618.22    |  |
| Total liabilities                                   | 20,974,826,391.98 | 20,974,826,391.98 |  |
| Owner's equity:                                     |                   |                   |  |
| Capital stock                                       | 3,881,608,005.00  | 3,881,608,005.00  |  |
| Other equity instruments                            |                   |                   |  |
| Including: Preferred share                          |                   |                   |  |
| Perpetual bond                                      |                   |                   |  |
| Capital reserve                                     | 2,682,647,086.15  | 2,682,647,086.15  |  |
| Less: Treasury stock                                |                   |                   |  |
| Other comprehensive income                          |                   |                   |  |
| Special reserves                                    |                   |                   |  |
| Surplus reserve                                     | 13,120,411,030.42 | 13,120,411,030.42 |  |
| Provision for general risk                          |                   |                   |  |
| Undistributed profit                                | 43,802,603,958.99 | 43,802,603,958.99 |  |
| Total owners' equity attributable to parent company | 63,487,270,080.56 | 63,487,270,080.56 |  |
| Minority equity                                     | 1,632,169,260.55  | 1,632,169,260.55  |  |
| Total owners' equity                                | 65,119,439,341.11 | 65,119,439,341.11 |  |
| Total liabilities and owners' equity                | 86,094,265,733.09 | 86,094,265,733.09 |  |

Note on the adjustment:

The Company implemented the new financial standards from January 1, 2019 and adjusted the available-for-sale financial assets to other non-current financial assets according to the Accounting Standard for Enterprises No. 22 - Recognition and Measurement of Financial Instruments issued by the

Ministry of Finance.

## Balance Sheet of Parent Company

Unit: RMB

| Item  | December 31, 2018 | January 01, 2019  | Amount of adjustment |
|---|-------------------|-------------------|----------------------|
| Current assets:                                       |                   |                   |                      |
| Cash and cash equivalents                             | 20,666,489,987.76 | 20,666,489,987.76 |                      |
| Trading financial assets                              |                   |                   |                      |
| Financial assets at fair value through profit or loss |                   |                   |                      |
| Derivative financial assets                           |                   |                   |                      |
| Notes receivable                                      |                   |                   |                      |
| Accounts receivable                                   |                   |                   |                      |
| Accounts receivable financing                         |                   |                   |                      |
| Prepayments   | 73,237,561.54     | 73,237,561.54     |                      |
| Other receivables                                     | 12,135,135,681.28 | 12,135,135,681.28 |                      |
| Including: Interest receivable                        | 383,190,672.91    | 383,190,672.91    |                      |
| Dividends receivable                                  | 342,607,430.63    | 342,607,430.63    |                      |
| Inventory   |                   |                   |                      |
| Contract asset  |                   |                   |                      |
| Assets held for sale                                  |                   |                   |                      |
| Non-current assets due within one year                |                   |                   |                      |
| Other current assets                                  |                   |                   |                      |
| Total current assets                                  | 32,874,863,230.58 | 32,874,863,230.58 |                      |
| Non-current assets:                                   |                   |                   |                      |
| Debt investment                                       |                   |                   |                      |
| Available-for-sale financial assets                   | 1,200,000.00      |                   | -1,200,000.00        |
| Other debt investments                                |                   |                   |                      |
| Held-to-maturity investment                           |                   |                   |                      |
| Long-term receivables                                 |                   |                   |                      |
| Long-term equity investment                           | 10,517,324,976.74 | 10,517,324,976.74 |                      |
| Other equity instrument investment                    |                   |                   |                      |
| Other non-current financial assets                    |                   | 1,200,000.00      | 1,200,000.00         |

|  |                   |                   |  |
|--|-------------------|-------------------|--|
| Investment properties                                      |                   |                   |  |
| Fixed assets   | 107,626,051.93    | 107,626,051.93    |  |
| Construction in progress                                   | 99,478,221.33     | 99,478,221.33     |  |
| Productive biological assets                               |                   |                   |  |
| Oil and gas assets   |                   |                   |  |
| Right-of-use assets  |                   |                   |  |
| Intangible assets  | 40,573,281.24     | 40,573,281.24     |  |
| Development expenditures                                   |                   |                   |  |
| Goodwill   |                   |                   |  |
| Long-term deferred expenses                                |                   |                   |  |
| Deferred income tax assets                                 | 100,889.03        | 100,889.03        |  |
| Other non-current assets                                   |                   |                   |  |
| Total non-current assets                                   | 10,766,303,420.27 | 10,766,303,420.27 |  |
| Total assets   | 43,641,166,650.85 | 43,641,166,650.85 |  |
| Current liabilities:                                       |                   |                   |  |
| Short-term loans   |                   |                   |  |
| Trading financial liabilities                              |                   |                   |  |
| Financial liabilities at fair value through profit or loss |                   |                   |  |
| Derivative financial liabilities                           |                   |                   |  |
| Notes payable  |                   |                   |  |
| Accounts payable   | 175,000.00        | 175,000.00        |  |
| Accounts received in advance                               |                   |                   |  |
| Contract liability   |                   |                   |  |
| Payroll payable  | 1,267,974.86      | 1,267,974.86      |  |
| Tax payable  | 36,702,690.98     | 36,702,690.98     |  |
| Other payables   | 332,300,571.41    | 332,300,571.41    |  |
| Including: Interest payable                                |                   |                   |  |
| Dividend payable   |                   |                   |  |
| Liabilities held for sale                                  |                   |                   |  |
| Non-current liabilities due within one year                |                   |                   |  |
| Other current liabilities                                  |                   |                   |  |
| Total current liabilities                                  | 370,446,237.25    | 370,446,237.25    |  |
| Non-current liabilities:                                   |                   |                   |  |



|                                      |                   |                   |  |
|--------------------------------------|-------------------|-------------------|--|
| Long-term loans                      |                   |                   |  |
| Bonds payable                        |                   |                   |  |
| Including: Preferred share           |                   |                   |  |
| Perpetual bond                       |                   |                   |  |
| Lease liability                      |                   |                   |  |
| Long-term payable                    |                   |                   |  |
| Long-term payroll payable            |                   |                   |  |
| Estimated liabilities                |                   |                   |  |
| Deferred income                      |                   |                   |  |
| Deferred income tax liabilities      |                   |                   |  |
| Other non-current liabilities        |                   |                   |  |
| Total non-current liabilities        |                   |                   |  |
| Total liabilities                    | 370,446,237.25    | 370,446,237.25    |  |
| Owner's equity:                      |                   |                   |  |
| Capital stock                        | 3,881,608,005.00  | 3,881,608,005.00  |  |
| Other equity instruments             |                   |                   |  |
| Including: Preferred share           |                   |                   |  |
| Perpetual bond                       |                   |                   |  |
| Capital reserve                      | 2,682,647,086.15  | 2,682,647,086.15  |  |
| Less: Treasury stock                 |                   |                   |  |
| Other comprehensive income           |                   |                   |  |
| Special reserves                     |                   |                   |  |
| Surplus reserve                      | 6,652,731,832.83  | 6,652,731,832.83  |  |
| Undistributed profit                 | 30,053,733,489.62 | 30,053,733,489.62 |  |
| Total owners' equity                 | 43,270,720,413.60 | 43,270,720,413.60 |  |
| Total liabilities and owners' equity | 43,641,166,650.85 | 43,641,166,650.85 |  |

Note on the adjustment:

The Company implemented the new financial standards from January 1, 2019 and adjusted the available-for-sale financial assets to other non-current financial assets according to the *Accounting Standard for Enterprises No.22 - Recognition and Measurement of Financial Instruments* issued by the Ministry of Finance.

**(4) Comparison data before the retrospective adjustments due to implementation of new standards for financial instruments or new lease standards since 2019**

Applicable  Not applicable

## VI. Taxes

### 1. Main taxes and tax rates

| Tax Item                               | Tax Basis                         | Tax Rate                                       |
|--|-----------------------------------|--|
| VAT*                                   | Taxable sales revenue             | 13%, 16% (paid after deduction of input taxes) |
| Consumption tax                        | Taxable price or ex-factory price | 10%, 20%                                       |
| Urban maintenance and construction tax | Turnover tax payable              | 7%   |
| Corporate income tax                   | Taxable income                    | 25%  |
| Education surcharge                    | Turnover tax payable              | 3%   |
| Local education surcharge**            | Turnover tax payable              | 2%   |

\*According to the *Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform* (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs), VAT taxable sale or import of goods by a general VAT taxpayer shall be adjusted to 13% from the original applicable tax rate of 16% since April 1, 2019.

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

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

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

### 2. Tax preference

#### (1) VAT

In January 2007, Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd. obtained the certificate of social welfare enterprise "FQZZ No. 51004121049" issued by the Department of Civil Affairs of

Sichuan Province. The Company, conforming to relevant provisions of GSF [2016] No. 33 and the *Notice on VAT Preferential Policy for Promoting the Employment of the Disabled of the Ministry of Finance and the State Administration of Taxation* (CS [2016] No. 52), enjoys the drawback policy of value-added tax. Recoverable value-added tax of each month=Number of disabled person employed by the taxpayer in current month $\times$ quadruple of the minimum wage of current month. The amount of value-added tax refunded in 2019 was RMB 24,111,360.00.

According to the *Notice of the Ministry of Finance and the State Administration of Taxation on Printing the Catalog of Preferential Value-added Tax for Comprehensive Utilization of Resources and Service* (CS [2015] No. 78), the steam, white carbon black, lactic acid, and calcium lactate products sold by Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. and produced with waste distilled grain and pot bottom water for brewing can enjoy the 70% drawback policy for the value-added tax realized since July 1, 2015. The amount of value-added tax refunded in 2019 was RMB 5,166,722.30.

## (2) Corporate income tax

Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd., conforming to the *Notice of the State Administration of Taxation on Issues about Corporate Income Tax of Further Implementing the Western Development Strategy* (Notice of the State Administration of Taxation (2012) No. 12), has been filed with the No. 1 Branch of Local Taxation Bureau of Yibin for preferential corporate income tax and pays the corporate income tax at 15% in 2018.

Sichuan Yibin Plastic Packaging Materials Company Limited, conforming to the *Notice of the State Administration of Taxation on Issues about Corporate Income Tax of Further Implementing the Western Development Strategy* (Notice of the State Administration of Taxation (2012) No. 12), has been filed with the No. 1 Branch of Local Taxation Bureau of Yibin for preferential corporate income tax and pays the corporate income tax at 15% in 2018.

Sichuan Yibin Wuliangye Environmental Protection Co., Ltd., conforming to the *Notice of the State Administration of Taxation on Issues about Corporate Income Tax of Further Implementing the Western Development Strategy* (Notice of the State Administration of Taxation (2012) No. 12), has been filed with the No. 1 Branch of Local Taxation Bureau of Yibin for preferential corporate income tax and pays the corporate income tax at 15% in 2018.

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. and Sichuan Wuliangye Tourist Agency Co., Ltd. conform to the provisions of the *Notice on Implementing the Inclusive Tax Deduction Policy for Small and Micro Enterprises of the Ministry of Finance and the State Administration of Taxation* (CS [2019] No. 13), which specifying that if the annual taxable income of small low-profit enterprises is less than RMB 1 million, the taxable income shall be 25% of such annual taxable income and the corporate income tax rate shall be 20%; if the annual taxable income is more than RMB 1 million but less than RMB 3 million, the taxable income shall be 50% of such annual taxable income and the corporate income tax rate shall be 20%. Income tax rate shall be 20%.

## VII. Notes to consolidated financial statements

### 1. Cash and cash equivalents

Unit: RMB

| Item         | Ending balance | Beginning balance |
|--------------|----------------|-------------------|
| Cash on hand | 28,179.40      | 48,306.24         |

|  |                   |                   |
|--|-------------------|-------------------|
| Bank deposit   | 63,138,797,874.22 | 48,888,675,659.23 |
| Other cash and cash equivalents  | 99,999,670.17     | 71,324,932.48     |
| Total  | 63,238,825,723.79 | 48,960,048,897.95 |
| Including: Total amount of funds restricted in use due to mortgage, pledge or freezing | 99,996,480.91     | 71,321,754.32     |

## Other notes:

1. Other cash and cash equivalents include the balance of securities trading of RMB 3,189.26 deposited with Yibin Business Department of Essence Securities, deposit of bank acceptance bill of RMB 99,754,080.91, and other deposits of RMB 242,400.00.

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

**2. Notes receivable****(1) Notes receivable presented by category**

Unit: RMB

| Item                 | Ending balance    | Beginning balance |
|----------------------|-------------------|-------------------|
| Bank acceptance bill | 14,643,149,595.72 | 13,864,930,200.55 |
| Total                | 14,643,149,595.72 | 13,864,930,200.55 |

Unit: RMB

| Category  | Ending balance    |            |                    |                          |                   | Beginning balance |            |                    |                          |                   |
|---|-------------------|------------|--------------------|--------------------------|-------------------|-------------------|------------|--------------------|--------------------------|-------------------|
|   | Book balance      |            | Bad debt provision |                          | Book value        | Book balance      |            | Bad debt provision |                          | Book value        |
|   | Amount            | Proportion | Amount             | Provision proportion (%) |                   | Amount            | Proportion | Amount             | Provision proportion (%) |                   |
| Notes receivable with bad debt provision by combination | 14,643,149,595.72 | 100.00%    |                    |                          | 14,643,149,595.72 | 13,864,930,200.55 | 100.00%    |                    |                          | 13,864,930,200.55 |
| Including: Bank acceptance bill                         | 14,643,149,595.72 | 100.00%    |                    |                          | 14,643,149,595.72 | 13,864,930,200.55 | 100.00%    |                    |                          | 13,864,930,200.55 |
| Total   | 14,643,149,595.72 | 100.00%    |                    |                          | 14,643,149,595.72 | 13,864,930,200.55 | 100.00%    |                    |                          | 13,864,930,200.55 |

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

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

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

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

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

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

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

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

### 3. Accounts receivable

#### (1) Disclosure of receivables by category

Unit: RMB

| Category   | Ending balance |            |                    |                          |                | Beginning balance |            |                    |                          |                |
|--|----------------|------------|--------------------|--------------------------|----------------|-------------------|------------|--------------------|--------------------------|----------------|
|  | Book balance   |            | Bad debt provision |                          | Book value     | Book balance      |            | Bad debt provision |                          | Book value     |
|  | Amount         | Proportion | Amount             | Provision proportion (%) |                | Amount            | Proportion | Amount             | Provision proportion (%) |                |
| Accounts receivable with bad debt provision by single item | 1,508,250.71   | 1.05%      | 1,508,250.71       | 100.00%                  |                | 683,959.77        | 0.50%      | 683,959.77         | 100.00%                  |                |
| Including: External customer                               | 1,508,250.71   | 1.05%      | 1,508,250.71       | 100.00%                  |                | 683,959.77        | 0.50%      | 683,959.77         | 100.00%                  |                |
| Receivables with bad debt provision by combination         | 142,604,157.15 | 98.95%     | 8,154,464.12       | 5.72%                    | 134,449,693.03 | 135,861,345.01    | 99.50%     | 8,530,008.04       | 6.28%                    | 127,331,336.97 |
| Including: External customer                               | 88,029,978.68  | 61.08%     | 8,154,464.12       | 9.26%                    | 79,875,514.56  | 84,110,685.83     | 61.60%     | 8,530,008.04       | 10.14%                   | 75,580,677.79  |
| Related parties  | 54,574,178.47  | 37.87%     |                    |                          | 54,574,178.47  | 51,750,659.18     | 37.90%     |                    |                          | 51,750,659.18  |
| Total  | 144,112,407.86 | 100.00%    | 9,662,714.83       | 6.70%                    | 134,449,693.03 | 136,545,304.78    | 100.00%    | 9,213,967.81       | 6.75%                    | 127,331,336.97 |

## Bad debt provision by single item:

Unit: RMB

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

## Bad debt provision by combination:

Unit: RMB

| Name  | Ending balance |                    |                          |                       |
|---|----------------|--------------------|--------------------------|-----------------------|
|   | Book balance   | Bad debt provision | Provision proportion (%) | Reasons for provision |
| Accounts receivable with bad debt provision by combination of external customer | 88,029,978.68  | 8,154,464.12       | 9.26%                    |                       |
| Accounts receivable with bad debt provision by combination of related parties   | 54,574,178.47  |                    |                          |                       |
| Total   | 142,604,157.15 | 8,154,464.12       | --                       | --                    |

## Disclosure by aging

Unit: RMB

| Aging                     | Book balance   |
|---------------------------|----------------|
| Within 1 year (inclusive) | 129,855,743.16 |
| 1 to 2 years              | 5,990,669.43   |
| 2 to 3 years              | 1,537,218.35   |
| More than 3 years         | 6,728,776.92   |
| 3 to 4 years              | 1,700,314.39   |
| 4 to 5 years              | 497,316.19     |
| More than 5 years         | 4,531,146.34   |
| Total                     | 144,112,407.86 |

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

Unit: RMB

| Category   | Beginning balance | Amount of change in current year |                      |           |        | Ending balance |
|--|-------------------|----------------------------------|----------------------|-----------|--------|----------------|
|  |                   | Provisions                       | Recovery or reversal | Write-off | Others |                |
| Accounts receivable with bad debt provision by single item | 683,959.77        | 864,735.83                       | 13,812.99            | 54,257.88 |        | 1,508,250.71   |



|   |                     |                   |                  |                  |  |                     |
|---|---------------------|-------------------|------------------|------------------|--|---------------------|
| Accounts receivable with bad debt provision by combination of external customer | 8,530,008.04        | -375,543.92       |                  |                  |  | 8,154,464.12        |
| <b>Total</b>  | <b>9,213,967.81</b> | <b>489,191.91</b> | <b>13,812.99</b> | <b>54,257.88</b> |  | <b>9,662,714.83</b> |

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

Unit: RMB

| Item  | Write-off amount |
|---|------------------|
| Shijiazhuang Qiaoxitang Tobacco, Alcohol and Food Co., Ltd. | 54,257.88        |
| <b>Total</b>  | <b>54,257.88</b> |

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

Unit: RMB

| Unit name  | Ending balance of accounts receivable | Proportion in total ending balance of accounts receivable | Ending balance of bad debt provision |
|--|---------------------------------------|---|--------------------------------------|
| Sichuan China Tobacco Industry Co., Ltd.                                 | 32,678,650.80                         | 22.68%  | 1,633,932.54                         |
| Sichuan Putian Times Technology Co., Ltd.                                | 31,324,539.34                         | 21.74%  |                                      |
| Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | 9,512,479.81                          | 6.60%   |                                      |
| Chengdu PUTH Medical Plastics Packaging Co., Ltd.                        | 8,420,650.88                          | 5.84%   |                                      |
| Jiangsu Deruizhi International Trade Co., Ltd.                           | 6,031,347.70                          | 4.19%   | 301,567.39                           |
| <b>Total</b>   | <b>87,967,668.53</b>                  | <b>61.05%</b>   |                                      |

#### 4. Accounts receivable financing

##### (1) Presentation of accounts receivable financing by category

Unit: RMB

| Item                 | Ending balance   | Beginning balance |
|----------------------|------------------|-------------------|
| Bank acceptance bill | 3,450,166,659.06 | 2,269,711,750.31  |
| Total                | 3,450,166,659.06 | 2,269,711,750.31  |

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

Unit: RMB

| Category   | Ending balance   |            |                    |                |                  | Beginning balance |            |                    |                |                  |
|--|------------------|------------|--------------------|----------------|------------------|-------------------|------------|--------------------|----------------|------------------|
|  | Book balance     |            | Bad debt provision |                | Book value       | Book balance      |            | Bad debt provision |                | Book value       |
|  | Amount           | Proportion | Amount             | Proportion (%) |                  | Amount            | Proportion | Amount             | Proportion (%) |                  |
| Accounts receivable financing with bad debt provision by single item |                  |            |                    |                |                  |                   |            |                    |                |                  |
| Accounts receivable financing with bad debt provision by combination | 3,450,166,659.06 | 100.00%    |                    |                | 3,450,166,659.06 | 2,269,711,750.31  | 100.00%    |                    |                | 2,269,711,750.31 |
| Including: Bank acceptance bill                                      | 3,450,166,659.06 | 100.00%    |                    |                | 3,450,166,659.06 | 2,269,711,750.31  | 100.00%    |                    |                | 2,269,711,750.31 |
| Total  | 3,450,166,659.06 | 100.00%    |                    |                | 3,450,166,659.06 | 2,269,711,750.31  | 100.00%    |                    |                | 2,269,711,750.31 |

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

Unit: RMB

| Item                 | Ending pledged amount |
|----------------------|-----------------------|
| Bank acceptance bill | 144,514,604.00        |
| Total                | 144,514,604.00        |

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

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

Unit: RMB

| Item                 | Amount derecognized at the end of the period | Amount not yet derecognized at the end of the period |
|----------------------|--|--|
| Bank acceptance bill | 918,471,579.06                               |  |
| Total                | 918,471,579.06                               |  |

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

None.

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

Unit: RMB

| Aging             | Ending balance |            | Beginning balance |            |
|-------------------|----------------|------------|-------------------|------------|
|                   | Amount         | Proportion | Amount            | Proportion |
| Within 1 year     | 136,286,439.94 | 58.77%     | 126,443,342.78    | 57.24%     |
| 1 to 2 years      | 6,819,475.06   | 2.94%      | 4,649,815.75      | 2.10%      |
| 2 to 3 years      | 1,127,071.75   | 0.49%      | 3,577,011.18      | 1.62%      |
| More than 3 years | 87,676,153.34  | 37.81%     | 86,246,650.93     | 39.04%     |
| Total             | 231,909,140.09 | --         | 220,916,820.64    | --         |

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

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

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

Unit: RMB

| Unit name  | Ending balance | Proportion in ending balance of prepayments |
|--|----------------|---|
| Yibin Guoding Gas Co., Ltd.                                | 72,922,000.00  | 31.44%                                      |
| Sichuan Energy Investment New Chemical Materials Co., Ltd. | 24,057,942.00  | 10.37%                                      |
| Metro Jinjiang Cash&Carry Co., Ltd.                        | 16,686,600.00  | 7.20%                                       |
| Jiangsu Xingye Plastic Co., Ltd.                           | 16,146,570.00  | 6.96%                                       |
| Sacred Mountain Molin Group Co., Ltd., Sichuan             | 8,283,185.84   | 3.57%                                       |
| Total  | 138,096,297.84 | 59.55%                                      |

**6. Other receivables**

Unit: RMB

| Item                | Ending balance   | Beginning balance |
|---------------------|------------------|-------------------|
| Interest receivable | 1,215,275,214.91 | 840,888,887.75    |
| Other receivables   | 33,369,357.49    | 30,881,488.10     |
| Total               | 1,248,644,572.40 | 871,770,375.85    |

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

Unit: RMB

| Item                           | Ending balance   | Beginning balance |
|--------------------------------|------------------|-------------------|
| Interest of fixed term deposit | 1,215,275,214.91 | 840,888,887.75    |
| Total                          | 1,215,275,214.91 | 840,888,887.75    |

**2) Provision for bad debt**

Applicable  Not applicable

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

Unit: RMB

| Nature of receivable                                | Ending book balance | Beginning book balance |
|---|---------------------|------------------------|
| Reserve fund  | 6,792,778.95        | 8,689,924.59           |
| Loans to Oriental Outlook Media Co., Ltd.           |                     | 1,000,000.00           |
| Current account                                     | 7,027,439.51        | 8,298,069.83           |
| Deposit   | 19,102,013.23       | 9,544,328.72           |
| Other advance money for others or temporary payment | 4,698,433.09        | 7,107,156.00           |
| Total   | 37,620,664.78       | 34,639,479.14          |

**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 January 1, 2019                   | 3,725,731.41                                     |   | 32,259.63   | 3,757,991.04 |
| Balance on January 1, 2019 in current period | --   | --  | --  | --           |
| --Transfer to stage 3                        | -151,072.11                                      |   | 151,072.11  |              |
| Provisions in current period                 | 644,388.36                                       |   |   | 644,388.36   |
| Write-off in current period                  |  |   | 151,072.11  | 151,072.11   |
| Balance on December 31, 2019                 | 4,219,047.66                                     |   | 32,259.63   | 4,251,307.29 |

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

Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                     | Book balance  |
|---------------------------|---------------|
| Within 1 year (inclusive) | 22,545,268.61 |
| 1 to 2 years              | 8,814,667.35  |
| 2 to 3 years              | 1,502,892.66  |
| More than 3 years         | 4,757,836.16  |
| 3 to 4 years              | 1,008,867.43  |

|                   |               |
|-------------------|---------------|
| 4 to 5 years      | 2,382,123.82  |
| More than 5 years | 1,366,844.91  |
| Total             | 37,620,664.78 |

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

Unit: RMB

| Category   | Beginning balance | Amount of change in current year |                      |            |        | Ending Balance |
|--|-------------------|----------------------------------|----------------------|------------|--------|----------------|
|  |                   | Provisions                       | Recovery or Reversal | Write-off  | Others |                |
| Other receivables with bad debt provision by single item             | 32,259.63         | 151,072.11                       |                      | 151,072.11 |        | 32,259.63      |
| Other receivables with bad debt provision by credit risk combination | 3,725,731.41      | 493,316.25                       |                      |            |        | 4,219,047.66   |
| Total  | 3,757,991.04      | 644,388.36                       |                      | 151,072.11 |        | 4,251,307.29   |

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

Unit: RMB

| Item  | Write-off amount |
|---|------------------|
| Linzhang County Power Supply Bureau of Hebei Province | 151,072.11       |
| Total   | 151,072.11       |

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

Unit: RMB

| Unit name   | Nature of receivable     | Ending balance | Aging                               | Proportion in total ending balance of other receivables | Ending balance of bad debt provision |
|---|--------------------------|----------------|-------------------------------------|---|--------------------------------------|
| Yibin Cuiping District Housing and Urban-Rural Development Bureau               | Deposit                  | 5,000,000.00   | 1-2 years                           | 13.29%  | 500,000.00                           |
| Yibin Municipal Housing, Urban-Rural Development and City Administration Bureau | Deposit                  | 5,000,000.00   | Within 1 year                       | 13.29%  | 150,000.00                           |
| Chongqing Xibolesi Building Engineering Co., Ltd.                               | Advance money for others | 1,671,340.32   | 4-5 years                           | 4.44%   | 835,670.16                           |
| China Mobile Group Sichuan Sub-Company Yibin Branch                             | Current account          | 1,216,160.92   | Within 1 year;<br>1-2 years         | 3.23%   | 42,995.00                            |
| CRM Foshan Iron and Steel Co., Ltd.   | Deposit                  | 894,200.00     | Within 1 year; 1-2 years; 2-3 years | 2.38%   | 120,671.00                           |
| Total   | --                       | 13,781,701.24  | --                                  | 36.63%  | 1,649,336.16                         |

**7. Inventory**

Whether new revenue standards have been implemented

 Yes  No**(1) Inventory classification**

Unit: RMB

| Item | Ending balance |                        |            | Beginning balance |                        |            |
|------|----------------|------------------------|------------|-------------------|------------------------|------------|
|      | Book balance   | Falling price reserves | Book value | Book balance      | Falling price reserves | Book value |
|      |                |                        |            |                   |                        |            |

|                            |                   |               |                   |                   |               |                   |
|----------------------------|-------------------|---------------|-------------------|-------------------|---------------|-------------------|
| Raw materials              | 820,802,958.97    | 5,470,868.60  | 815,332,090.37    | 704,404,961.76    | 5,566,238.71  | 698,838,723.05    |
| Goods in process           | 920,929,926.83    |               | 920,929,926.83    | 820,750,667.60    |               | 820,750,667.60    |
| Inventory of goods         | 2,641,768,788.26  | 23,606,759.68 | 2,618,162,028.58  | 1,628,219,456.72  | 22,125,947.87 | 1,606,093,508.85  |
| Turnover materials         | 2,443,559.07      |               | 2,443,559.07      | 2,922,520.24      |               | 2,922,520.24      |
| Semi-finished products     | 9,185,653,882.86  |               | 9,185,653,882.86  | 8,392,578,113.47  |               | 8,392,578,113.47  |
| Packing materials          | 16,350,413.67     | 15,916,796.10 | 433,617.57        | 16,409,356.58     | 15,916,796.10 | 492,560.48        |
| Goods issued               | 91,743,317.05     | 917,805.65    | 90,825,511.40     | 152,470,003.77    |               | 152,470,003.77    |
| Work in process-outsourced | 45,838,998.73     |               | 45,838,998.73     | 57,909,918.97     |               | 57,909,918.97     |
| Goods in transit           |                   |               |                   | 63,405,072.00     |               | 63,405,072.00     |
| Total                      | 13,725,531,845.44 | 45,912,230.03 | 13,679,619,615.41 | 11,839,070,071.11 | 43,608,982.68 | 11,795,461,088.43 |

**(2) Inventory falling price reserves**

Unit: RMB

| Item               | Beginning balance | Increase in current period |        | Decrease in current period |        | Ending balance |
|--------------------|-------------------|----------------------------|--------|----------------------------|--------|----------------|
|                    |                   | Provisions                 | Others | Reversed or written-off    | Others |                |
| Raw materials      | 5,566,238.71      |                            |        | 95,370.11                  |        | 5,470,868.60   |
| Inventory of goods | 22,125,947.87     | 2,102,958.26               |        | 622,146.45                 |        | 23,606,759.68  |
| Packing materials  | 15,916,796.10     |                            |        |                            |        | 15,916,796.10  |
| Goods issued       |                   | 917,805.65                 |        |                            |        | 917,805.65     |
| Total              | 43,608,982.68     | 3,020,763.91               |        | 717,516.56                 |        | 45,912,230.03  |

**(3) Note on ending balance of inventory containing the capitalized amount of borrowing costs**

None.

## 8. Long-term equity investment

Unit: RMB

| Invested company                                   | Beginning balance<br>(book value) | Increase/decrease in the current period |                       |  |   |                                 |   |                                       |        | Ending balance (book<br>value) | Provision for<br>impairment<br>Ending balance |
|--|-----------------------------------|---|-----------------------|--|---|---------------------------------|---|---------------------------------------|--------|--------------------------------|---|
|  |                                   | Additional investment                   | Reduced<br>investment | Profit and loss on<br>investments recognized<br>with equity method | Adjustment of<br>other<br>comprehensive<br>income | Changes<br>in other<br>equities | Declaration of cash<br>dividends or profits | Accrual of<br>impairment<br>provision | Others |                                |   |
| I. Joint ventures                                  |                                   |   |                       |  |   |                                 |   |                                       |        |                                |   |
| II. Associates                                     |                                   |   |                       |  |   |                                 |   |                                       |        |                                |   |
| Oriental Outlook Media Co., Ltd.                   | 13,742,029.36                     |   |                       | 3,336,110.30   |   |                                 |   |                                       |        | 17,078,139.66                  |   |
| Sichuan Yibin Wuliangye Group<br>Finance Co., Ltd. | 905,735,949.18                    |   |                       | 89,122,537.57  |   |                                 |   |                                       |        | 994,858,486.75                 |   |
| Yibin Jiamei Intelligent Packaging<br>Co., Ltd.    |                                   | 9,800,000.00                            |                       | 42,105.18  |   |                                 |   |                                       |        | 9,842,105.18                   |   |
| Sub-total  | 919,477,978.54                    | 9,800,000.00                            |                       | 92,500,753.05  |   |                                 |   |                                       |        | 1,021,778,731.59               |   |
| Total  | 919,477,978.54                    | 9,800,000.00                            |                       | 92,500,753.05  |   |                                 |   |                                       |        | 1,021,778,731.59               |   |

## Other notes:

1. The Company invested in Oriental Outlook Media Co., Ltd., an associate of the Company, for implementing the strategy of entering the media industry. The Company contributed RMB 17.15 million in April 2005, acquiring 49% of the equity of Oriental Outlook Media Co., Ltd. held by China Worldbest Group, ShanghaiWorldbestCo.,Ltd. and Shanghai Tiancheng Chuangye Development Co., Ltd.

2. As reviewed and approved by the 22th meeting of the 4th board of directors of the Company on October 24, 2012, the Company, Wuliangye Group Company and 6 of its subsidiaries, and ABC International Holdings Limited jointly invested and established the Finance Company. Its registered capital is RMB 2billion, among which the Company contributed RMB 0.72 billion, taking up 36% of the registered capital.

3. In 2019, Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd., a holding subsidiary of the Company, and Shenzhen Jinjia New Intelligent Packaging Co., Ltd. jointly invested and established Yibin Jiamei Intelligent Packaging Co., Ltd. Primary business of Yibin Jiamei Intelligent Packaging Co., Ltd. include research and development, platemaking, printing, production and sales of packaging products. Its registered capital is RMB 20 million, among which Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd. contributed RMB 9.8 million, taking up 49% of the registered capital.

**9. Other non-current financial assets**

Unit: RMB

| Item   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Sichuan Chinese Liquor Jinshanjiao Brand Operation and Development Co., Ltd. | 1,200,000.00   | 1,200,000.00      |
| Total  | 1,200,000.00   | 1,200,000.00      |

**10. Fixed assets**

Unit: RMB

| Item                     | Ending balance   | Beginning balance |
|--------------------------|------------------|-------------------|
| Fixed assets             | 6,108,183,363.27 | 5,261,346,191.85  |
| Disposal of fixed assets | 562,549.45       | 817,236.17        |
| Total                    | 6,108,745,912.72 | 5,262,163,428.02  |

**(1) Note on fixed assets**

Unit: RMB

| Item                                       | Houses and buildings | Special equipment | General equipment | Transportation equipment | Other equipment | Total             |
|--|----------------------|-------------------|-------------------|--------------------------|-----------------|-------------------|
| I. Original book value:                    |                      |                   |                   |                          |                 |                   |
| 1. Beginning balance                       | 7,827,986,487.58     | 3,474,240,996.44  | 2,133,958,310.77  | 117,138,942.46           | 620,678,629.49  | 14,174,003,366.74 |
| 2. Increase in current period              | 1,156,260,065.06     | 80,931,708.99     | 89,319,869.62     | 6,819,421.06             | 25,942,180.76   | 1,359,273,245.49  |
| (1) Acquisition                            | 1,108,654,082.05     | 28,370,131.13     | 86,960,597.22     | 6,819,421.06             | 23,200,743.84   | 1,254,004,975.30  |
| (2) Transfer from construction in progress | 47,605,983.01        | 52,561,577.86     | 2,359,272.40      |                          | 2,741,436.92    | 105,268,270.19    |
| (3) Increase from business combination     |                      |                   |                   |                          |                 |                   |
| 3. Decrease in current period              | 84,169,428.63        | 519,607,854.86    | 2,922,613.68      | 7,456,646.43             | 23,864,631.73   | 638,021,175.33    |
| (1) Disposal or scrap                      | 84,169,428.63        | 519,607,854.86    | 2,922,613.68      | 7,456,646.43             | 23,864,631.73   | 638,021,175.33    |
| 4. Ending balance                          | 8,900,077,124.01     | 3,035,564,850.57  | 2,220,355,566.71  | 116,501,717.09           | 622,756,178.52  | 14,895,255,436.90 |
| II. Accumulated depreciation               |                      |                   |                   |                          |                 |                   |
| 1. Beginning balance                       | 3,417,204,970.41     | 3,126,226,503.79  | 1,731,471,151.25  | 86,395,645.96            | 542,827,436.69  | 8,904,125,708.10  |
| 2. Increase in current period              | 228,003,046.58       | 111,280,599.43    | 49,193,686.07     | 6,744,751.65             | 23,184,612.31   | 418,406,696.04    |
| (1) Provision                              | 228,003,046.58       | 111,280,599.43    | 49,193,686.07     | 6,744,751.65             | 23,184,612.31   | 418,406,696.04    |
| 3. Decrease in current period              | 15,166,643.55        | 497,466,621.24    | 2,536,142.93      | 6,862,770.75             | 21,959,618.83   | 543,991,797.30    |
| (1) Disposal or scrap                      | 15,166,643.55        | 497,466,621.24    | 2,536,142.93      | 6,862,770.75             | 21,959,618.83   | 543,991,797.30    |
| 4. Ending balance                          | 3,630,041,373.44     | 2,740,040,481.98  | 1,778,128,694.39  | 86,277,626.86            | 544,052,430.17  | 8,778,540,606.84  |



|                               |                  |                |                |               |               |                  |
|-------------------------------|------------------|----------------|----------------|---------------|---------------|------------------|
| III. Provision for impairment |                  |                |                |               |               |                  |
| 1. Beginning balance          | 1,544,029.33     | 5,860,320.21   | 656,514.70     |               | 470,602.55    | 8,531,466.79     |
| 2. Increase in current period |                  |                |                |               |               |                  |
| (1) Provision                 |                  |                |                |               |               |                  |
|                               |                  |                |                |               |               |                  |
| 3. Decrease in current period |                  |                |                |               |               |                  |
| (1) Disposal or scrap         |                  |                |                |               |               |                  |
|                               |                  |                |                |               |               |                  |
| 4. Ending balance             | 1,544,029.33     | 5,860,320.21   | 656,514.70     |               | 470,602.55    | 8,531,466.79     |
| IV. Book value                |                  |                |                |               |               |                  |
| 1. Ending book value          | 5,268,491,721.24 | 289,664,048.38 | 441,570,357.62 | 30,224,090.23 | 78,233,145.80 | 6,108,183,363.27 |
| 2. Beginning book value       | 4,409,237,487.84 | 342,154,172.44 | 401,830,644.82 | 30,743,296.50 | 77,380,590.25 | 5,261,346,191.85 |

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

None.

**(3) Fixed assets under financing lease**

None.

**(4) Fixed assets leased out by operating lease**

Unit: RMB

| Item      | Ending book value |
|-----------|-------------------|
| Buildings | 135,816,415.80    |
| Warehouse | 1,797,109.38      |
| Equipment | 11,038,017.98     |
| Total     | 148,651,543.16    |

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

Unit: RMB

| Item      | Book value       | Reason for not obtaining certificate of title  |
|-----------|------------------|--|
| Buildings | 979,720,018.13   | The certificate of title has not been obtained due to historical reasons, to which the Company has attached great importance and planned to obtain the certificate of title gradually. |
| Buildings | 54,686,456.36    | In progress  |
| Total     | 1,034,406,474.49 |  |

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

**(6) Disposal of fixed assets**

Unit: RMB

| Item              | Ending balance | Beginning balance |
|-------------------|----------------|-------------------|
| Special equipment |                | 47,860.19         |
| Other equipment   | 562,549.45     | 769,375.98        |
| Total             | 562,549.45     | 817,236.17        |

**11. Construction in progress**

Unit: RMB

| Item                        | Ending balance | Beginning balance |
|-----------------------------|----------------|-------------------|
| Construction in progress    | 810,667,169.54 | 350,232,362.79    |
| Project goods and materials | 1,761,078.76   | 1,761,090.07      |
| Total                       | 812,428,248.30 | 351,993,452.86    |

**(1) Construction in progress**

Unit: RMB

| Item  | Ending balance |                          |                | Beginning balance |                          |                |
|---|----------------|--------------------------|----------------|-------------------|--------------------------|----------------|
|   | Book balance   | Provision for impairment | Book value     | Book balance      | Provision for impairment | Book value     |
| 300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)  | 432,757,395.14 |                          | 432,757,395.14 | 35,213,355.27     |                          | 35,213,355.27  |
| Wuliangye Industrial Park Construction Project  | 116,380,592.65 |                          | 116,380,592.65 | 115,500,592.65    |                          | 115,500,592.65 |
| Factory Buildings and Other Buildings Renovation Project of the Company                             | 26,482,983.09  |                          | 26,482,983.09  | 11,436,881.51     |                          | 11,436,881.51  |
| Pipe Network Reconstruction Project of Jiangbei Park  | 26,591,075.62  |                          | 26,591,075.62  | 1,010,566.03      |                          | 1,010,566.03   |
| No. 4 Kiln Upgrading and Reconstruction Project   | 21,776,007.96  |                          | 21,776,007.96  | 22,420,540.05     |                          | 22,420,540.05  |
| Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates | 10,698,865.18  |                          | 10,698,865.18  | 10,448,865.18     |                          | 10,448,865.18  |
| Songgong River (Wuliangye Section) Comprehensive Treatment Project                                  |                |                          |                | 51,266,490.32     |                          | 51,266,490.32  |
| Other sporadic works  | 178,380,255.45 | 2,400,005.55             | 175,980,249.90 | 105,335,077.33    | 2,400,005.55             | 102,935,071.78 |
| Total   | 813,067,175.09 | 2,400,005.55             | 810,667,169.54 | 352,632,368.34    | 2,400,005.55             | 350,232,362.79 |

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

Unit: RMB

| Project name  | Budget                  | Beginning balance     | Increase in current period | Amount transferred to fixed assets in the current period | Other decreases in current period<br>Decrease | Ending balance        | Proportion of project input to the budget (%) | Engineering progress | Accumulated amount of interest capitalized | Including: Capitalized amount of interest in current period | Capitalization rate of interest in current period | Source of funds         |
|---|-------------------------|-----------------------|----------------------------|--|---|-----------------------|---|----------------------|--|---|---|-------------------------|
| 300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)  | 857,070,000.00          | 35,213,355.27         | 397,544,039.87             |  |   | 432,757,395.14        | 50.49%  | 83.00%               |  |   |   | Own funds               |
| Wuliangye Industrial Park Construction Project  | 229,980,000.00          | 115,500,592.65        | 880,000.00                 |  |   | 116,380,592.65        | 51.37%  | 65.00%               |  |   |   | Own funds and subsidies |
| Factory Buildings and Other Buildings Renovation Project of the Company                             | 201,841,000.00          | 11,436,881.51         | 15,046,101.58              |  |   | 26,482,983.09         | 13.00%  | 13.00%               |  |   |   | Own funds               |
| Pipe Network Reconstruction Project of Jiangbei Park  | 109,396,900.00          | 1,010,566.03          | 25,580,509.59              |  |   | 26,591,075.62         | 23.38%  | 90.00%               |  |   |   | Own funds               |
| No.4 Kiln Upgrading and Reconstruction Project  | 48,496,000.00           | 22,420,540.05         | 3,463,332.58               | 4,107,864.67   |   | 21,776,007.96         | 53.37%  | 92.00%               |  |   |   | Own funds               |
| Partial Overhead Lines Underlay Reconstruction Project of the Trunk Road of the East and West Gates | 17,600,000.00           | 10,448,865.18         | 250,000.00                 |  |   | 10,698,865.18         | 60.79%  | 99.00%               |  |   |   | Own funds               |
| Songgong River (Wuliangye Section) Comprehensive Treatment Project                                  | 93,568,300.00           | 51,266,490.32         | 10,964,395.63              | 62,230,885.95  |   |                       | 66.51%  | 100%                 |  |   |   | Own funds and subsidies |
| <b>Total</b>  | <b>1,557,952,200.00</b> | <b>247,297,291.01</b> | <b>453,728,379.25</b>      | <b>66,338,750.62</b>                                     |   | <b>634,686,919.64</b> | <b>--</b>                                     | <b>--</b>            |  |   |   | <b>--</b>               |

**(3) Project goods and materials**

Unit: RMB

| Item                        | Ending balance |                          |              | Beginning balance |                          |              |
|-----------------------------|----------------|--------------------------|--------------|-------------------|--------------------------|--------------|
|                             | Book balance   | Provision for impairment | Book value   | Book balance      | Provision for impairment | Book value   |
| Project goods and materials | 1,761,078.76   |                          | 1,761,078.76 | 1,761,090.07      |                          | 1,761,090.07 |
| Total                       | 1,761,078.76   |                          | 1,761,078.76 | 1,761,090.07      |                          | 1,761,090.07 |

**12. Intangible assets****(1) Note on intangible assets**

Unit: RMB

| Item                                   | Land use right | Patents | Non-patented technology | Software system | Technology use right | Total          |
|--|----------------|---------|-------------------------|-----------------|----------------------|----------------|
| I. Original book value                 |                |         |                         |                 |                      |                |
| 1. Beginning balance                   | 481,060,308.32 |         |                         | 55,096,019.13   | 10,318,357.82        | 546,474,685.27 |
| 2. Increase in current period          |                |         |                         | 18,804,767.25   | 73,584.91            | 18,878,352.16  |
| (1) Acquisition                        |                |         |                         | 18,804,767.25   | 73,584.91            | 18,878,352.16  |
| (2) Internal research and development  |                |         |                         |                 |                      |                |
| (3) Increase from business combination |                |         |                         |                 |                      |                |
| 3. Decrease in current period          | 2,366,675.00   |         |                         |                 |                      | 2,366,675.00   |
| (1) Disposal                           | 2,366,675.00   |         |                         |                 |                      | 2,366,675.00   |
| 4. Ending balance                      | 478,693,633.32 |         |                         | 73,900,786.38   | 10,391,942.73        | 562,986,362.43 |
| II. Accumulated amortization           |                |         |                         |                 |                      |                |
| 1. Beginning balance                   | 99,726,688.08  |         |                         | 23,779,482.66   | 10,318,357.82        | 133,824,528.56 |
| 2. Increase in current period          | 9,754,067.76   |         |                         | 9,477,278.67    | 4,292.47             | 19,235,638.90  |
| (1) Provision                          | 9,754,067.76   |         |                         | 9,477,278.67    | 4,292.47             | 19,235,638.90  |
| 3. Decrease in current period          | 229,032.84     |         |                         |                 |                      | 229,032.84     |
| (1) Disposal                           | 229,032.84     |         |                         |                 |                      | 229,032.84     |
| 4. Ending balance                      | 109,251,723.00 |         |                         | 33,256,761.33   | 10,322,650.29        | 152,831,134.62 |
| III. Provision for impairment          |                |         |                         |                 |                      |                |
| 1. Beginning balance                   |                |         |                         |                 |                      |                |
| 2. Increase in current period          |                |         |                         |                 |                      |                |
| (1) Provision                          |                |         |                         |                 |                      |                |
| 3. Decrease in current period          |                |         |                         |                 |                      |                |
| (1) Disposal                           |                |         |                         |                 |                      |                |

|                         |                |  |  |               |           |                |
|-------------------------|----------------|--|--|---------------|-----------|----------------|
| 4. Ending balance       |                |  |  |               |           |                |
| IV. Book value          |                |  |  |               |           |                |
| 1. Ending book value    | 369,441,910.32 |  |  | 40,644,025.05 | 69,292.44 | 410,155,227.81 |
| 2. Beginning book value | 381,333,620.24 |  |  | 31,316,536.47 |           | 412,650,156.71 |

At the end of current period, the intangible assets created by internal research and development of the Company accounts for 0.00% of the balance of intangible assets.

## (2) Note on land use right for which the certificate of title has not been obtained

Unit: RMB

| Item           | Book value   | Reason for not obtaining certificate of title   |
|----------------|--------------|---|
| Land use right | 1,206,138.86 | The certificate of title has not been obtained due to historical reasons, to which the Company has attached great importance and planned to obtain the certificate of title gradually |
| Total          | 1,206,138.86 |   |

## 13. Goodwill

### (1) Original book value of goodwill

Unit: RMB

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

## 14. Long-term deferred expenses

Unit: RMB

| Item                       | Beginning balance | Increase in current period | Amount amortized to current period | Other decreases | Ending balance |
|----------------------------|-------------------|----------------------------|------------------------------------|-----------------|----------------|
| Mold                       | 93,695,939.35     | 30,026,977.59              | 45,183,869.83                      |                 | 78,539,047.11  |
| Overhaul expenses of kilns | 10,713,282.75     |                            | 4,733,974.80                       |                 | 5,979,307.95   |
| Others                     | 7,488,446.26      | 1,732,745.85               | 2,138,215.21                       |                 | 7,082,976.90   |
| Total                      | 111,897,668.36    | 31,759,723.44              | 52,056,059.84                      |                 | 91,601,331.96  |

Other notes:

Long-term deferred expenses include the molds of Sichuan Yibin Plastic Packaging Materials Company Limited, a subsidiary of the Company, and the overhaul expenses of kilns of Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd., which will be amortized in 3 years and 4 years, respectively.

## 15. Deferred income tax assets/deferred income tax liabilities

### (1) Deferred income tax assets which have not been offset

Unit: RMB

| Item | Ending balance                   |                            | Beginning balance                |                            |
|------|----------------------------------|----------------------------|----------------------------------|----------------------------|
|      | Deductible temporary differences | Deferred income tax assets | Deductible temporary differences | Deferred income tax assets |
|      |                                  |                            |                                  |                            |

|   |                  |                  |                  |                |
|---|------------------|------------------|------------------|----------------|
| Provision for impairment of assets        | 62,160,116.40    | 15,540,029.10    | 63,573,991.40    | 15,893,497.85  |
| Unrealized profit of internal transaction | 459,631,885.88   | 114,907,971.47   | 275,304,408.32   | 68,826,102.08  |
| Payroll payable                           | 3,444,231,749.08 | 861,057,937.27   | 2,635,865,912.20 | 658,966,478.05 |
| Others                                    | 663,544,164.64   | 165,886,041.16   | 512,694,552.20   | 128,173,638.05 |
| Total                                     | 4,629,567,916.00 | 1,157,391,979.00 | 3,487,438,864.12 | 871,859,716.03 |

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

Unit: RMB

| Item                             | Ending balance | Beginning balance |
|----------------------------------|----------------|-------------------|
| Deductible temporary differences | 9,104,208.09   | 4,445,022.47      |
| Deductible losses                | 271,450,834.30 | 276,591,011.98    |
| Total                            | 280,555,042.39 | 281,036,034.45    |

Note: 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      | Ending amount  | Beginning amount | Remarks |
|-----------|----------------|------------------|---------|
| Year 2019 |                | 31,643,176.65    |         |
| Year 2020 | 4,604,961.02   | 16,170,861.31    |         |
| Year 2021 | 24,902,925.05  | 26,066,687.31    |         |
| Year 2022 | 90,071,724.12  | 91,589,312.45    |         |
| Year 2023 | 101,698,424.52 | 111,120,974.26   |         |
| Year 2024 | 50,172,799.59  |                  |         |
| Total     | 271,450,834.30 | 276,591,011.98   | --      |

## 16. Other non-current assets

Whether new revenue standards have been implemented

 Yes  No

Unit: RMB

| Item   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Advances of progress payment for information system construction | 165,284,283.25 | 51,231,242.34     |
| Total  | 165,284,283.25 | 51,231,242.34     |

## 17. Notes payable

Unit: RMB

| Type                 | Ending balance | Beginning balance |
|----------------------|----------------|-------------------|
| Bank acceptance bill | 419,485,425.61 | 413,918,369.11    |
| Total                | 419,485,425.61 | 413,918,369.11    |

Total amount of notes payable which became matured but unpaid at the end of current period is RMB 0.00.

## 18. Accounts payable

### (1) Presentation of accounts payable

Unit: RMB

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

|                  |                         |                         |
|------------------|-------------------------|-------------------------|
| Accounts payable | 3,257,672,975.56        | 3,152,374,810.72        |
| <b>Total</b>     | <b>3,257,672,975.56</b> | <b>3,152,374,810.72</b> |

**(2) Significant accounts payable over 1 year**

Unit: RMB

| Item            | Ending balance       | Reason for outstanding or carrying forward |
|-----------------|----------------------|--|
| Project payment | 32,617,639.32        |  |
| Goods payment   | 11,048,910.39        |  |
| <b>Total</b>    | <b>43,666,549.71</b> | <b>--</b>                                  |

**19. Accounts received in advance**

Whether new revenue standards have been implemented

 Yes  No**(1) Presentation of accounts received in advance**

Unit: RMB

| Item                         | Ending balance           | Beginning balance       |
|------------------------------|--------------------------|-------------------------|
| Accounts received in advance | 12,530,706,854.77        | 6,706,735,898.48        |
| <b>Total</b>                 | <b>12,530,706,854.77</b> | <b>6,706,735,898.48</b> |

**(2) Significant accounts received in advance over 1 year**

Unit: RMB

| Item                           | Ending balance       | Reason for outstanding or carrying forward |
|--------------------------------|----------------------|--|
| Proceeds from sales of liquors | 53,085,975.64        |  |
| <b>Total</b>                   | <b>53,085,975.64</b> | <b>--</b>                                  |

**20. Payroll payable****(1) Presentation of payroll payable**

Unit: RMB

| Item  | Beginning balance       | Increase in current period | Decrease in current period | Ending balance          |
|---|-------------------------|----------------------------|----------------------------|-------------------------|
| I. Short-term compensation                                | 2,764,096,662.52        | 5,702,688,970.41           | 4,871,913,115.97           | 3,594,872,516.96        |
| II. Post-employment benefits - defined contribution plans | 5,198,847.67            | 760,960,193.32             | 766,144,828.14             | 14,212.85               |
| III. Termination benefits                                 |                         | 9,236,177.31               | 9,236,177.31               |                         |
| <b>Total</b>  | <b>2,769,295,510.19</b> | <b>6,472,885,341.04</b>    | <b>5,647,294,121.42</b>    | <b>3,594,886,729.81</b> |

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

Unit: RMB

| Item   | Beginning balance | Increase in current period | Decrease in current period | Ending balance   |
|--|-------------------|----------------------------|----------------------------|------------------|
| 1. Salaries, bonuses, allowances and subsidies | 2,685,041,362.81  | 4,765,207,410.32           | 3,919,993,334.58           | 3,530,255,438.55 |
| 2. Employee benefits                           |                   | 234,231,124.03             | 234,231,124.03             |                  |
| 3. Social insurance charges                    | 155,091.15        | 283,850,676.37             | 283,851,088.87             | 154,678.65       |
| Including: Medical insurance premium           | 154,820.64        | 231,109,956.13             | 231,110,290.43             | 154,486.34       |

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| Industrial injury insurance premium                       | 166.15           | 36,719,296.41    | 36,719,355.11    | 107.45           |
| Birth insurance premium                                   | 104.36           | 16,021,423.83    | 16,021,443.33    | 84.86            |
| 4. Housing fund   | 13,248,883.00    | 329,108,272.00   | 321,296,371.00   | 21,060,784.00    |
| 5. Labor union expenditure and personnel educational fund | 65,651,325.56    | 90,291,487.69    | 112,541,197.49   | 43,401,615.76    |
| Total   | 2,764,096,662.52 | 5,702,688,970.41 | 4,871,913,115.97 | 3,594,872,516.96 |

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

Unit: RMB

| Item                              | Beginning balance | Increase in current period | Decrease in current period | Ending balance |
|-----------------------------------|-------------------|----------------------------|----------------------------|----------------|
| 1. Basic pension insurance        | 14,951.95         | 595,599,779.97             | 595,600,519.07             | 14,212.85      |
| 2. Unemployment insurance premium | 23.30             | 19,066,690.90              | 19,066,714.20              |                |
| 3. Corporate pension contribution | 5,183,872.42      | 146,293,722.45             | 151,477,594.87             |                |
| Total                             | 5,198,847.67      | 760,960,193.32             | 766,144,828.14             | 14,212.85      |

**21. Tax payable**

Unit: RMB

| Item                                   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| VAT                                    | 839,852,597.96   | 1,070,214,491.06  |
| Consumption tax                        | 1,830,800,710.07 | 1,641,542,786.19  |
| Corporate income tax                   | 5,001,143,551.02 | 2,203,429,719.44  |
| Individual income tax                  | 13,250,079.02    | 14,016,111.56     |
| Urban maintenance and construction tax | 116,343,916.81   | 86,843,135.42     |
| Property tax                           | 369,637.06       | 275,085.16        |
| Stamp duty                             | 645,760.98       | 864,554.47        |
| Land use tax                           | 1,079,906.23     | 693,496.77        |
| Education surcharge                    | 81,365,635.62    | 37,344,381.88     |
| Local education surcharge              | 54,248,855.59    | 24,901,353.38     |
| Environmental protection tax           | 18,621.28        | 10,382.41         |
| Resource tax                           | 47,317.20        |                   |
| Total                                  | 7,939,166,588.84 | 5,080,135,497.74  |

Other notes:

The taxes of the Company depend on the amount verified and imposed by the tax authorities.

**22. Other payables**

Unit: RMB

| Item           | Ending balance   | Beginning balance |
|----------------|------------------|-------------------|
| Other payables | 2,292,680,733.51 | 2,585,355,687.52  |
| Total          | 2,292,680,733.51 | 2,585,355,687.52  |



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

Unit: RMB

| Item  | Ending balance          | Beginning balance       |
|---|-------------------------|-------------------------|
| Market support expenses (including market development expense, publicity expense, branding expense) | 1,178,396,467.55        | 1,863,905,084.82        |
| Deposit   | 703,073,760.13          | 609,586,594.65          |
| Accrued expenses  | 230,340,302.12          |                         |
| Money collected or paid for another   | 66,271,527.52           | 42,858,069.91           |
| Claims from safeguarding rights   | 42,291,712.18           | 38,692,262.54           |
| Others  | 72,306,964.01           | 30,313,675.60           |
| <b>Total</b>  | <b>2,292,680,733.51</b> | <b>2,585,355,687.52</b> |

**2) Significant other payables over 1 year**

Unit: RMB

| Item         | Ending balance       | Reason for outstanding or carrying forward |
|--------------|----------------------|--|
| Deposit      | 64,380,280.00        |  |
| <b>Total</b> | <b>64,380,280.00</b> | --   |

**23. Deferred income**

Unit: RMB

| Item               | Beginning balance | Increase in current period | Decrease in current period | Ending balance | Cause |
|--------------------|-------------------|----------------------------|----------------------------|----------------|-------|
| Government subsidy | 267,010,618.22    | 13,860,000.00              | 14,545,249.82              | 266,325,368.40 |       |
| Total              | 267,010,618.22    | 13,860,000.00              | 14,545,249.82              | 266,325,368.40 | --    |

Projects involving government subsidies:

Unit: RMB

| Liabilities  | Beginning balance | Increase in current period<br>Amount of subsidy | Amount recognized as non-operating revenue in current year | Amount recognized as other incomes | Amount offset against costs and expenses in current year | Other changes | Ending balance | Asset-related /income-related |
|--|-------------------|---|--|------------------------------------|--|---------------|----------------|-------------------------------|
| 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)           | 187,954,666.78    |   |  | 6,712,666.56                       |  |               | 181,242,000.22 | Asset-related                 |
| Brewery Wastewater Comprehensive Treatment Project   | 16,200,000.00     |   |  | 750,000.00                         |  |               | 15,450,000.00  | Asset-related                 |
| Wastewater Comprehensive Treatment and Transformation Project                                  | 14,133,333.31     |   |  | 333,333.36                         |  |               | 13,799,999.95  | Asset-related                 |
| Songgong River (Wuliangye Section) Comprehensive Treatment Project                             | 10,730,000.00     |   |  | 178,833.36                         |  |               | 10,551,166.64  | Asset-related                 |
| Wuliangye Industrial Park Construction Project   | 10,000,000.00     |   |  |                                    |  |               | 10,000,000.00  | Asset-related                 |
| 300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)                                       |                   | 10,000,000.00                                   |  |                                    |  |               | 10,000,000.00  | Asset-related                 |
| Technical Upgrading Project of the Quality Control, Quality Inspection and Testing Center      | 9,613,333.35      |   |  | 343,333.32                         |  |               | 9,270,000.03   | Asset-related                 |
| Wastewater Treatment System Upgrading and Renovation Project                                   | 8,959,999.96      |   |  | 320,000.04                         |  |               | 8,639,999.92   | Asset-related                 |
| Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Liquor Pottery Jar Aging Room | 2,949,999.80      |   |  | 590,000.04                         |  |               | 2,359,999.76   | Asset-related                 |
| Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)                       | 2,933,035.02      |   |  | 1,099,999.80                       |  |               | 1,833,035.22   | Asset-related                 |

|   |                       |                      |  |                      |  |  |                       |                |
|---|-----------------------|----------------------|--|----------------------|--|--|-----------------------|----------------|
| Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase II)   |                       | 500,000.00           |  |                      |  |  | 500,000.00            | Asset-related  |
| Shiergoubao Production Line Technical Upgrading Project   | 480,000.00            |                      |  | 120,000.00           |  |  | 360,000.00            | Asset-related  |
| Dust Removal System Renovation Project of the 510 Workshop Environmental Protection Boiler  | 656,250.00            |                      |  | 656,250.00           |  |  |                       | Asset-related  |
| 503 Workshop Coal-to-Gas Project  | 600,000.00            |                      |  | 600,000.00           |  |  |                       | Asset-related  |
| Industrial development funds  | 1,000,000.00          |                      |  |                      |  |  | 1,000,000.00          | Income-related |
| Informatization and big data application  |                       | 1,000,000.00         |  | 270,833.34           |  |  | 729,166.66            | Income-related |
| Overall Anti-counterfeit Package Project Using the Single-Chip Dual-Band REID Technology  | 100,000.00            |                      |  | 100,000.00           |  |  |                       | Income-related |
| Talent subsidies from the Science and Technology Bureau   | 700,000.00            | 300,000.00           |  | 1,000,000.00         |  |  |                       | Income-related |
| Subsidy for national green plant of 2018  |                       | 500,000.00           |  |                      |  |  | 500,000.00            | Income-related |
| Provincial special funds for intellectual property  |                       | 90,000.00            |  |                      |  |  | 90,000.00             | Income-related |
| Special funds for application of cloud-terminal intelligent spectral data analysis in the process of fermentation of fermented grains                         |                       | 770,000.00           |  | 770,000.00           |  |  |                       | Income-related |
| Special funds for research on making special organic fertilizer for brewing sorghum using spent grains based on biological transformation and its application |                       | 700,000.00           |  | 700,000.00           |  |  |                       | Income-related |
| <b>Total</b>  | <b>267,010,618.22</b> | <b>13,860,000.00</b> |  | <b>14,545,249.82</b> |  |  | <b>266,325,368.40</b> |                |

**24. Capital stock**

Unit: RMB

|               | Beginning balance | Increase/decrease (+, -) |             |                                       |        |           | Ending balance   |
|---------------|-------------------|--------------------------|-------------|---------------------------------------|--------|-----------|------------------|
|               |                   | Issuance of new shares   | Bonus share | Capitalization of public reserve fund | Others | Sub-total |                  |
| Sum of shares | 3,881,608,005.00  |                          |             |                                       |        |           | 3,881,608,005.00 |

**25. Capital reserve**

Unit: RMB

| Item                                    | Beginning balance | Increase in current period | Decrease in current period | Ending balance   |
|---|-------------------|----------------------------|----------------------------|------------------|
| Capital premium (capital stock premium) | 2,682,523,702.98  |                            |                            | 2,682,523,702.98 |
| Other capital reserve                   | 123,383.17        |                            |                            | 123,383.17       |
| Total                                   | 2,682,647,086.15  |                            |                            | 2,682,647,086.15 |

**26. Surplus reserve**

Unit: RMB

| Item                       | Beginning balance | Increase in current period | Decrease in current period | Ending balance    |
|----------------------------|-------------------|----------------------------|----------------------------|-------------------|
| Statutory surplus reserves | 13,120,411,030.42 | 2,971,785,992.59           |                            | 16,092,197,023.01 |
| Total                      | 13,120,411,030.42 | 2,971,785,992.59           |                            | 16,092,197,023.01 |

**27. Undistributed profit**

Unit: RMB

| Item   | Current period    | Previous period   |
|--|-------------------|-------------------|
| Undistributed profit at the end of previous period before adjustment             | 43,802,603,958.99 | 37,675,282,021.74 |
| Undistributed profit at the beginning of the period after adjustment             | 43,802,603,958.99 | 37,675,282,021.74 |
| Plus: Net profits attributable to the owners of parent company in current period | 17,402,164,190.16 | 13,384,246,683.60 |
| Less: Appropriation of statutory surplus reserves                                | 2,971,785,992.59  | 2,210,834,339.85  |
| Common share dividends payable   | 6,598,733,608.50  | 5,046,090,406.50  |
| Ending undistributed profit  | 51,634,248,548.06 | 43,802,603,958.99 |

Details of undistributed profit at the beginning of the adjustment period:

- 1). The beginning undistributed profit is adjusted by RMB 0.00 due to the retroactive adjustment according to the Accounting Standards for Business Enterprise and relevant new provisions.
- 2). The beginning undistributed profit is adjusted by RMB 0.00 due to changes in accounting policies.
- 3). The beginning undistributed profit is adjusted by RMB 0.00 due to correction of major accounting errors.
- 4). The beginning undistributed profit is adjusted by RMB 0.00 due to changes in the combination scope arising from the same control.
- 5). The beginning undistributed profit is adjusted by RMB 0.00 in total due to other adjustments.

**28. Operating revenue and operating cost**

Unit: RMB

| Item | Amount in current period | Amount in previous period |
|------|--------------------------|---------------------------|
|------|--------------------------|---------------------------|

|                  | Revenue           | Cost              | Revenue           | Cost              |
|------------------|-------------------|-------------------|-------------------|-------------------|
| Primary business | 49,857,555,489.83 | 12,578,575,730.65 | 39,823,798,827.75 | 10,329,058,497.08 |
| Other businesses | 260,550,387.31    | 223,684,216.69    | 206,390,772.12    | 157,724,437.19    |
| Total            | 50,118,105,877.14 | 12,802,259,947.34 | 40,030,189,599.87 | 10,486,782,934.27 |

Whether new revenue standards have been implemented

Yes  No

## 29. Tax and surcharges

Unit: RMB

| Item                                   | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Consumption tax                        | 5,574,554,509.16         | 4,651,541,239.20          |
| Urban maintenance and construction tax | 765,970,059.85           | 680,310,364.67            |
| Education surcharge                    | 328,844,515.77           | 292,838,686.09            |
| Resource tax                           | 372,276.20               | 350,018.00                |
| Property tax                           | 28,945,716.04            | 24,393,707.24             |
| Land use tax                           | 50,020,995.02            | 49,560,403.34             |
| Vehicle and vessel use tax             | 13,797.41                | 15,714.77                 |
| Stamp duty                             | 13,660,117.60            | 13,132,633.02             |
| Local education surcharge              | 219,840,795.95           | 195,225,790.76            |
| Environmental protection tax           | 2,120,319.55             | 1,128,741.48              |
| Total                                  | 6,984,343,102.55         | 5,908,497,298.57          |

## 30. Selling expenses

Unit: RMB

| Item  | Amount in current period | Amount in previous period |
|---|--------------------------|---------------------------|
| Comprehensive selling expenses (including market development expense, publicity expense, branding expense, payroll, etc.) | 4,349,034,516.43         | 3,282,228,558.55          |
| Freight and miscellaneous expenses  | 353,946,381.65           | 303,508,206.74            |
| Travel expense  | 110,726,346.05           | 59,015,064.71             |
| Others  | 171,872,092.64           | 133,681,845.01            |
| Total   | 4,985,579,336.77         | 3,778,433,675.01          |

## 31. Administrative expenses

Unit: RMB

| Item   | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Comprehensive expenses of the Company (including travel, office, expenses of the board of directors, employee remuneration, labor insurance, labor protection appliances, etc) | 1,148,066,122.90         | 991,012,355.66            |
| Rents  | 357,228,294.55           | 348,396,193.45            |
| Trademark and logo royalties   | 580,070,408.13           | 480,734,618.78            |
| Comprehensive service fee  | 67,614,607.22            | 85,711,430.00             |
| Others   | 502,367,715.29           | 434,644,107.55            |
| Total  | 2,655,347,148.09         | 2,340,498,705.44          |

**32. Research and development expense**

Unit: RMB

| Item   | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Comprehensive expenses (including travel, office, payroll, labor insurance, labor protection appliances, etc.) | 53,752,944.91            | 41,073,386.44             |
| Material expenses  | 31,810,442.56            | 14,758,839.52             |
| Product design fees  | 14,787,253.09            | 13,121,087.51             |
| Depreciation and amortization expenses   | 7,051,081.97             | 8,268,904.73              |
| Others   | 18,958,698.58            | 6,860,288.06              |
| <b>Total</b>   | <b>126,360,421.11</b>    | <b>84,082,506.26</b>      |

**33. Financial expenses**

Unit: RMB

| Item                                     | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Interest expenditure                     |                          |                           |
| Less: Interest revenue                   | 1,416,398,912.72         | 1,081,572,031.13          |
| Exchange loss                            | 134,662.81               | 257,772.41                |
| Less: Exchange gains                     | 202,724.12               | 519,065.02                |
| Expenditure for discount on notes        |                          | 5,958,156.26              |
| Service charge of financial institutions | 1,224,741.74             | 1,035,827.58              |
| Others                                   | -15,503,633.45           | -10,171,423.75            |
| <b>Total</b>                             | <b>-1,430,745,865.74</b> | <b>-1,085,010,763.65</b>  |

**34. Other incomes**

Unit: RMB

| Sources of other incomes | Amount in current period | Amount in previous period |
|--------------------------|--------------------------|---------------------------|
| Government subsidy       | 130,434,159.51           | 88,540,102.95             |
| Tax refunds              | 29,278,082.30            | 17,688,897.86             |
| <b>Total</b>             | <b>159,712,241.81</b>    | <b>106,229,000.81</b>     |

Notes:

1. Refer to the Note "VII. 46. Government subsidy" for details of government subsidies.
2. The tax refunds are the VAT refunds received by the Company, refer to the Note "VI. Taxes, 2. Tax preference".

**35. Investment income**

Unit: RMB

| Item   | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Long-term equity investment income accounted by equity method  | 92,500,753.05            | 100,864,555.05            |
| Investment income from disposal of long-term equity investment |                          | 0.22                      |
| <b>Total</b>   | <b>92,500,753.05</b>     | <b>100,864,555.27</b>     |

**36. Credit impairment loss**

Unit: RMB

| Item                               | Amount in current period | Amount in previous period |
|------------------------------------|--------------------------|---------------------------|
| Bad debt loss of other receivables | -644,388.36              |                           |

|                                      |                      |  |
|--------------------------------------|----------------------|--|
| Bad debt loss of accounts receivable | -489,191.91          |  |
| <b>Total</b>                         | <b>-1,133,580.27</b> |  |

**37. Asset impairment loss**

Whether new revenue standards have been implemented

 Yes  No

Unit: RMB

| Item                               | Amount in current period | Amount in previous period |
|------------------------------------|--------------------------|---------------------------|
| I. Bad debt loss                   |                          | -4,549,791.15             |
| II. Inventory falling price loss   | -3,020,763.91            | -3,180,521.74             |
| VII. Fixed asset impairment losses |                          | -3,149,115.00             |
| <b>Total</b>                       | <b>-3,020,763.91</b>     | <b>-10,879,427.89</b>     |

**38. Gain from disposal of assets**

Unit: RMB

| Source of gain from disposal of assets | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Disposal of non-current assets         | 2,779,400.03             | 5,273,892.02              |
| <b>Total</b>                           | <b>2,779,400.03</b>      | <b>5,273,892.02</b>       |

**39. Non-operating revenue**

Unit: RMB

| Item                                   | Amount in current period | Amount in previous period | Amounts recorded into current non-recurring profit or loss |
|--|--------------------------|---------------------------|--|
| Government subsidy                     |                          | 300,000.00                |  |
| Penalty revenue                        | 5,986,339.09             | 9,166,517.93              | 5,986,339.09   |
| Gains from scrap of non-current assets | 909,663.24               | 946,124.80                | 909,663.24   |
| Others                                 | 22,994,270.32            | 33,390,478.93             | 22,994,270.32  |
| <b>Total</b>                           | <b>29,890,272.65</b>     | <b>43,803,121.66</b>      | <b>29,890,272.65</b>                                       |

Government subsidy recognized in current profit or loss:

Unit: RMB

| Subsidy items                        | Granted by | Reason for granting | Nature and type | Does the subsidy affect current profit or loss | Whether special subsidy | Amount in current period | Amount in previous period | Asset-related/Income-related |
|--------------------------------------|------------|---------------------|-----------------|--|-------------------------|--------------------------|---------------------------|------------------------------|
| Other fragmentary government subsidy |            |                     |                 |  |                         |                          | 300,000.00                | Income-related               |
| <b>Total</b>                         |            |                     |                 |  |                         |                          | <b>300,000.00</b>         |                              |

**40. Non-operating expenditure**

Unit: RMB

| Item                                | Amount in current period | Amount in previous period | Amounts recorded into current non-recurring profit or loss |
|-------------------------------------|--------------------------|---------------------------|--|
| Donations                           | 147,731,056.86           | 126,393,193.31            | 147,731,056.86   |
| Penalty expenditure                 | 266,281.96               | 2,554,160.76              | 266,281.96   |
| Loss on scrap of non-current assets | 5,260,675.33             | 2,791,521.65              | 5,260,675.33   |
| Abnormal loss                       | 29,395.82                |                           | 29,395.82  |

|        |                |                |                |
|--------|----------------|----------------|----------------|
| Others | 16,390,656.88  | 23,634,853.92  | 16,390,656.88  |
| Total  | 169,678,066.85 | 155,373,729.64 | 169,678,066.85 |

Other notes:

Donations mainly include the donation of RMB 147.3729 million to Sichuan Wuliangye Charitable Foundation, among which RMB 100 million is for the rural revitalization and targeted poverty alleviation project, RMB 20 million is for earthquake relief of Changning County, RMB 7 million is for the Wuliangye Education Incentive Infrastructure Project of Sichuan University of Science and Engineering, RMB 7 million is for the Education Incentive Award Project of the Education Development Foundation of Sichuan University of Science and Engineering, RMB 5.465 million is for Yibin Education Foundation, RMB 3.27 million is for the acrobatics education poverty alleviation project of Yibin, RMB 2 million is for the talent development project of Xinlong County, Yajiang County, Ganzi Tibetan Autonomous Prefecture, RMB 1.2495 million is for the poverty alleviation project of Qingshanyan Village of Xingwen County, and RMB 1.3884 million is for relief of the earthquake occurred on December 16 in Xingwen County.

#### 41. Income tax expenses

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

Unit: RMB

| Item                         | Amount in current period | Amount in previous period |
|------------------------------|--------------------------|---------------------------|
| Current income tax expenses  | 6,163,289,027.89         | 4,760,159,182.00          |
| Deferred income tax expenses | -285,532,262.97          | -191,986,652.28           |
| Total                        | 5,877,756,764.92         | 4,568,172,529.72          |

##### (2) Accounting profit and income tax expense adjustment process

Unit: RMB

| Item   | Amount in current period |
|--|--------------------------|
| Total profit   | 24,106,012,043.53        |
| Income tax expense calculated with statutory/applicable tax rates  | 6,026,503,010.88         |
| Impact of different tax rates applicable to subsidiaries   | -83,191,083.19           |
| Impact on adjustment of income tax in previous periods   | -36,969,244.42           |
| Impact of nontaxable revenue   | -23,125,188.26           |
| Impact of non-deductible costs, expenses and losses  | 1,154,078.99             |
| Impact of deductible losses of deferred income tax assets which have not been recognized in the previous period                                | -5,917,450.16            |
| Impact of deductible temporary differences or deductible losses of deferred income tax assets which have not been recognized in current period | 13,707,996.30            |
| Impact of weighted deduction for salary of the disabled  | -11,594,238.14           |
| Impact of 10% tax rate for revenue from steam  | -545,473.86              |
| Impact of weighted deduction for research and development expenses   | -205,016.27              |
| Impact of one-time deduction of fixed assets   | -2,060,626.95            |
| Income tax expenses  | 5,877,756,764.92         |

#### 42. Items of cash flow statement

##### (1) Other cash received relating to operating activities

Unit: RMB

| Item             | Amount in current period | Amount in previous period |
|------------------|--------------------------|---------------------------|
| Interest revenue | 1,042,012,585.56         | 853,819,574.81            |



|  |                         |                         |
|--|-------------------------|-------------------------|
| Deposits and government subsidies received | 421,764,044.99          | 383,418,320.47          |
| <b>Total</b>                               | <b>1,463,776,630.55</b> | <b>1,237,237,895.28</b> |

**(2) Other cash paid relating to operating activities**

Unit: RMB

| Item   | Amount in current period | Amount in previous period |
|--|--------------------------|---------------------------|
| Expenses relating to selling                                     | 1,766,874,668.53         | 1,300,737,190.29          |
| Comprehensive service fee  | 60,889,059.16            | 85,711,430.00             |
| Trademark and logo royalties                                     | 477,571,873.51           | 480,734,618.78            |
| Rents  | 337,348,167.14           | 348,396,193.45            |
| Deposits, current accounts and other out-of-pocket expenses paid | 722,835,412.55           | 754,533,479.42            |
| <b>Total</b>   | <b>3,365,519,180.89</b>  | <b>2,970,112,911.94</b>   |

**(3) Other cash payments relating to financing activities**

Unit: RMB

| Item  | Amount in current period | Amount in previous period |
|---|--------------------------|---------------------------|
| Return of deposit for share subscription and interest |                          | 22,092,404.60             |
| <b>Total</b>  |                          | <b>22,092,404.60</b>      |

**43. Supplementary Information to Cash Flow Statement****(1) Supplementary Information to Cash Flow Statement**

Unit: RMB

| Supplementary information  | Amount of current period | Amount of previous period |
|--|--------------------------|---------------------------|
| 1. Reconciliation from net profits to cash flows from operating activities:                                  | --                       | --                        |
| Net profit   | 18,228,255,278.61        | 14,038,650,126.48         |
| Plus: Provision for impairment of assets   | 3,436,827.62             | -4,125,897.17             |
| Fixed assets depreciation, oil and gas assets depletion, and productive biological assets depreciation       | 418,406,696.04           | 484,853,435.67            |
| Amortization of intangible assets  | 19,235,638.90            | 15,165,124.85             |
| Amortization of long-term deferred expenses  | 52,056,059.84            | 63,080,998.72             |
| Loss from disposals of fixed assets, intangible assets and other long-term assets (gains indicated with "-") | -2,779,400.03            | -5,273,892.02             |
| Scrap loss of fixed assets (gains indicated with "-")  | 4,351,012.09             | 1,845,396.85              |
| Financial expenses (gains indicated with "-")  | -63,661.42               | -164,139.95               |
| Investment loss (gains indicated with "-")   | -92,500,753.05           | -100,864,555.27           |
| Decrease in deferred income tax assets (increase indicated with "-")   | -285,532,262.97          | -191,986,652.28           |
| Decrease in inventory (increase indicated with "-")  | -1,886,461,774.33        | -1,226,493,031.60         |
| Decrease in operating receivables (increase indicated with "-")  | -2,354,601,239.25        | -5,228,455,859.11         |
| Increase in operating payables (decrease indicated with "-")   | 9,008,269,618.61         | 4,471,127,979.73          |
| Net cash flows from operating activities   | 23,112,072,040.66        | 12,317,359,034.90         |
| 2. Significant investment and financing activities not involving cash:                                       | --                       | --                        |

|   |                   |                   |
|---|-------------------|-------------------|
| 3. Net change in cash and cash equivalents: | --                | --                |
| Ending balance of cash                      | 63,138,829,242.88 | 48,888,727,143.63 |
| Less: Beginning balance of cash             | 48,888,727,143.63 | 40,529,000,014.21 |
| Plus: Ending balance of cash equivalents    | 65,304,080.91     | 71,321,754.32     |
| Less: Beginning balance of cash equivalents | 71,321,754.32     | 62,803,391.57     |
| Net increase in cash and cash equivalents   | 14,244,084,425.84 | 8,368,245,492.17  |

**(2) Composition of cash and cash equivalents**

Unit: RMB

| Item  | Ending balance    | Beginning balance |
|---|-------------------|-------------------|
| I. Cash   | 63,138,829,242.88 | 48,888,727,143.63 |
| Including: Cash on hand                                       | 28,179.40         | 48,306.24         |
| Bank deposit readily available for payment                    | 63,138,797,874.22 | 48,888,675,659.23 |
| Other cash and cash equivalents readily available for payment | 3,189.26          | 3,178.16          |
| II. Cash equivalents  | 65,304,080.91     | 71,321,754.32     |
| Including: Deposit of notes matured within three months       | 65,304,080.91     | 71,321,754.32     |
| III. Ending balance of cash and cash equivalents              | 63,204,133,323.79 | 48,960,048,897.95 |

**44. Assets with restricted ownership or use right**

Unit: RMB

| Item                          | Ending book value | Reasons for limitation   |
|-------------------------------|-------------------|--|
| Cash and cash equivalents     | 99,996,480.91     | Deposit of bank acceptance bill of RMB 99,754,080.91 and other deposits of RMB 242,400.00. |
| Accounts receivable financing | 144,514,604.00    | Pledge of bank acceptance bill   |
| Total                         | 244,511,084.91    | --   |

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

Unit: RMB

| Item                      | Ending balance of foreign currency | Conversion exchange rate | Ending balance converted to RMB |
|---------------------------|------------------------------------|--------------------------|---------------------------------|
| Cash and cash equivalents | --                                 | --                       |                                 |
| Including: USD            | 653,701.62                         | 6.9762                   | 4,560,353.24                    |

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

Applicable  Not applicable

**46. Government subsidy****(1) Basic information of government subsidies**

Unit: RMB

| Type   | Amount         | Presented items | Amounts recorded into current profit or loss |
|--|----------------|-----------------|--|
| 90-Thousand-Ton Pottery Jar Aging Spirit Room Technical Innovation Project (Phase I)   | 201,380,000.00 | Deferred income | 6,712,666.56                                 |
| Brewery Wastewater Comprehensive Treatment Project   | 22,500,000.00  | Deferred income | 750,000.00                                   |
| Songgong River (Wuliangye Section) Comprehensive Treatment Project   | 10,730,000.00  | Deferred income | 178,833.36                                   |
| Technical Upgrading Project of the Quality Control, Quality Inspection and Testing Center  | 10,300,000.00  | Deferred income | 343,333.32                                   |
| Wastewater Comprehensive Treatment and Transformation Project  | 10,000,000.00  | Deferred income | 333,333.36                                   |
| Wuliangye Industrial Park Construction Project   | 10,000,000.00  | Deferred income |  |
| 300-Thousand-Ton Pottery Jar Aging Spirit Room (Phase I)   | 10,000,000.00  | Deferred income |  |
| Wastewater Treatment System Upgrading and Renovation Project   | 9,600,000.00   | Deferred income | 320,000.04                                   |
| Dust Removal System Renovation Project of the 510 Workshop Environmental Protection Boiler   | 7,406,250.00   | Deferred income | 656,250.00                                   |
| Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase I)   | 6,600,000.00   | Deferred income | 1,099,999.80                                 |
| Technical Upgrading Project of the 60-Thousand-Ton Maotai-Flavor Liquor Pottery Jar Aging Room   | 5,900,000.00   | Deferred income | 590,000.04                                   |
| Shiergoubao Production Line Technical Upgrading Project  | 1,200,000.00   | Deferred income | 120,000.00                                   |
| Special funds for application of cloud-terminal intelligent spectral data analysis in the process of fermentation of fermented grains  | 770,000.00     | Deferred income | 770,000.00                                   |
| Special funds for research on making special organic fertilizer for brewing sorghum using spent grains based on biological transformation and its application                      | 700,000.00     | Deferred income | 700,000.00                                   |
| Informatization and big data application   | 1,000,000.00   | Deferred income | 270,833.34                                   |
| Industrial development funds   | 1,000,000.00   | Deferred income |  |
| Talent subsidies from the Science and Technology Bureau  | 1,000,000.00   | Deferred income | 1,000,000.00                                 |
| 503 Workshop Coal-to-Gas Project   | 600,000.00     | Deferred income | 600,000.00                                   |
| Subsidy for national green plant of 2018   | 500,000.00     | Deferred income |  |
| Coal-to-Gas Energy Conservation and Emission Reduction Project (Phase II)  | 500,000.00     | Deferred income |  |
| Overall Anti-counterfeit Package Project Using the Single-Chip Dual-Band REID Technology   | 100,000.00     | Deferred income | 100,000.00                                   |
| Provincial special funds for intellectual property   | 90,000.00      | Deferred income |  |
| Funds for supporting enterprises settling in the industrial headquarter base from Yibin Lingang Economic and Technological Development Zone  | 58,380,057.00  | Other incomes   | 58,380,057.00                                |
| VAT deduction  | 18,785,891.57  | Other incomes   | 18,785,891.57                                |
| Subsidy for investment promotion   | 13,573,925.31  | Other incomes   | 13,573,925.31                                |
| Small and medium enterprises supporting funds from Hebei Linzhang Economic Development Zone Administration Committee   | 7,481,992.00   | Other incomes   | 7,481,992.00                                 |
| Subsidies of 2018 for several policies of fastening the construction of modern powerful industrial cities and supporting the transformation, upgrading and development of the park | 3,440,000.00   | Other incomes   | 3,440,000.00                                 |
| Funds for construction of Wuguchun spirit room   | 2,700,000.00   | Other incomes   | 2,700,000.00                                 |

|   |                |               |                |
|---|----------------|---------------|----------------|
| Subsidy for energy conservation, emission reduction and technological innovation  | 2,117,200.00   | Other incomes | 2,117,200.00   |
| Funds for supporting the settlement of enterprises with zero-balance accounts   | 1,996,900.00   | Other incomes | 1,996,900.00   |
| Subsidy for increment of gas consumption  | 1,555,000.00   | Other incomes | 1,555,000.00   |
| Special fund for talent development   | 1,547,600.00   | Other incomes | 1,547,600.00   |
| Project of overall upgrading of the one-core dual-band RFID anti-counterfeit package, technological upgrading of production line, and the research, development, design and application of new environment-friendly packaging materials | 1,200,000.00   | Other incomes | 1,200,000.00   |
| Rewards to executives   | 769,100.00     | Other incomes | 769,100.00     |
| Refund of charges of individual income tax  | 673,812.10     | Other incomes | 673,812.10     |
| Industrial development funds of 2018  | 650,000.00     | Other incomes | 650,000.00     |
| Subsidy for the standard construction of green Yibin of 2018  | 650,000.00     | Other incomes | 650,000.00     |
| Other fragmentary government subsidy  | 367,431.71     | Other incomes | 367,431.71     |
| Total   | 427,765,159.69 |               | 130,434,159.51 |

## (2) Return of government subsidies

Applicable  Not applicable

## VIII. Changes in consolidation scope

### 1. Business combination involving enterprises not under the same control

There is no business combination involving enterprises not under the same control.

### 2. Business combination involving enterprises under the same control

There is no business combination involving enterprises under the same control.

### 3. Counter purchase

There is no subsidiary acquired by counter purchase during the reporting period.

### 4. Disposal of subsidiary

There is no disposal of subsidiary during the reporting period.

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

Explain the changes in consolidation scope for other reasons (such as, establishment of new subsidiary, liquidation of subsidiaries, etc.) and relevant information:

On June 20, 2019, the Company and Wuliangye Group, as reviewed and approved by the fifth board of directors of the Company, jointly funded and established "Wuliang NongXiang Series Baijiu Yibin Co., Ltd.", of which the registered capital was RMB 100 million. The Company contributed RMB 95 million, taking up 95% of the registered capital; Wuliangye Group contributed RMB 5 million, taking up 5% of the registered capital; and Wuliang NongXiang Series Baijiu Yibin Co., Ltd. is included in the consolidation scope of the Company since its establishment.

## IX. Interests in other entities

### 1. Interests in subsidiaries

#### (1) Compositions of the Group

| Name of subsidiary                                     | Primary business place | Registered address | Nature of business | Shareholding proportion |            | Way of acquisition |
|--|------------------------|--------------------|--------------------|-------------------------|------------|--------------------|
|  |                        |                    |                    | Directly                | Indirectly |                    |
| Sichuan Yibin Wuliangye Winery Co., Ltd.               | Yibin                  | Yibin              | Manufacturing      | 99.00%                  | 0.99%      | Establishment      |
| Yibin Wuliangye Liquor Sales Co., Ltd.                 | Yibin                  | Yibin              | Business           | 95.00%                  |            | Establishment      |
| Yibin Wuliang Tequ and Touqu Brand Marketing Co., Ltd. | Yibin                  | Yibin              | Business           |                         | 95.00%     | Establishment      |
| .  | Yibin                  | Yibin              | Business           |                         | 95.00%     | Establishment      |

|  |         |         |                   |         |         |   |
|--|---------|---------|-------------------|---------|---------|---|
| Yibin Wuliangye Series Liquor Brand Marketing Co., Ltd.      | Yibin   | Yibin   | Business          |         | 95.00%  | Establishment   |
| Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.       | Yibin   | Yibin   | Business          | 99.00%  | 0.95%   | Establishment   |
| Yibin Jiangjiu Liquor Co., Ltd.                              | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Establishment   |
| Sichuan Yibin Wuliangye Environmental Protection Co., Ltd.   | Yibin   | Yibin   | Manufacturing     | 51.00%  |         | Establishment   |
| Sichuan Jinwuxin Technology Co., Ltd.                        | Yibin   | Yibin   | Business          |         | 51.00%  | Business combination involving enterprises not under the same control |
| Sichuan Jiebeike Environmental Technology Co., Ltd.          | Yibin   | Yibin   | Engineering       |         | 26.01%  | Establishment   |
| Yibin Changjiangyuan Liquor Co., Ltd.                        | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Establishment   |
| Yibin Changjiangyuan Trade Co., Ltd.                         | Yibin   | Yibin   | Business          |         | 100.00% | Establishment   |
| Yibin Changjiangyuan Brewery Co., Ltd.                       | Yibin   | Yibin   | Manufacturing     |         | 100.00% | Establishment   |
| Yibin Wuliangye Organic Agriculture Development Co., Ltd.    | Yibin   | Yibin   | Agriculture       |         | 100.00% | Establishment   |
| Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.          | Yibin   | Yibin   | Manufacturing     | 90.00%  |         | Establishment   |
| Yibin Xianlin Liquor Marketing Co., Ltd.                     | Yibin   | Yibin   | Business          |         | 90.00%  | Establishment   |
| Yibin Wuliangye Xinshengdai Liquor Co., Ltd.                 | Yibin   | Yibin   | Business          |         | 42.30%  | Establishment   |
| Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.           | Yibin   | Yibin   | Manufacturing     | 97.00%  | 1.53%   | Establishment   |
| Yibin Xinxing Packaging Co., Ltd.                            | Yibin   | Yibin   | Business          |         | 98.53%  | Establishment   |
| Sichuan Yibin Plastic Packaging Materials Company Limited    | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Business combination involving enterprises not under the same control |
| <b>Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.</b>   | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Business combination involving enterprises not under the same control |
| Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.    | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Business combination involving enterprises not under the same control |
| Sichuan Yibin Push Group 3D Co., Ltd.                        | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Business combination involving enterprises not under the same control |
| Guangdong Foshan Plastic Packaging Materials Company Limited | Foshan  | Foshan  | Manufacturing     |         | 100.00% | Establishment   |
| Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.    | Yibin   | Yibin   | Investment        | 95.00%  |         | Establishment   |
| Wuhou Cultural Development Co., Ltd.                         | Beijing | Beijing | Cultural industry |         | 70.30%  | Establishment   |
| Yibin Zhenwushan Liquor Co., Ltd.                            | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Establishment   |
| Yibin Shiji Liquor Co., Ltd.                                 | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Establishment   |
| Yibin Cuiplingshan Liquor Co., Ltd.                          | Yibin   | Yibin   | Manufacturing     | 100.00% |         | Establishment   |
| Wuliangye Dashijie (Beijing) Trade Co., Ltd.                 | Beijing | Beijing | Business          | 95.00%  |         | Establishment   |
| Handan Yongbufenli Liquor Co., Ltd.                          | Handan  | Handan  | Manufacturing     | 51.00%  |         | Establishment   |
| Linzhang Desheng Wine Trade Co., Ltd.                        | Handan  | Handan  | Business          |         | 51.00%  | Establishment   |

|  |         |         |                  |         |        |   |
|--|---------|---------|------------------|---------|--------|---|
| Handan Yongbufenli Sales Co., Ltd.                     | Handan  | Handan  | Business         |         | 51.00% | Establishment   |
| Huaibin Wubin Consultation Service Co., Ltd.           | Huaibin | Huaibin | Consultation     | 100.00% |        | Business combination involving enterprises not under the same control |
| Wuguchun Jiu Ye Co., Henan. China                      | Huaibin | Huaibin | Manufacturing    | 11.03%  | 40.00% | Business combination involving enterprises not under the same control |
| Huaibin Tenglong Trade Co., Ltd.                       | Huaibin | Huaibin | Business         |         | 51.03% | Establishment   |
| WU JIU YE SALES CO., HENAN. China                      | Huaibin | Huaibin | Business         |         | 51.03% | Establishment   |
| Sichuan Wuliangye Culture Tourism Development Co., LTD | Yibin   | Yibin   | Tourism industry | 80.00%  |        | Establishment   |
| Sichuan Wuliangye Tourist Agency Co., Ltd.             | Yibin   | Yibin   | Tourism industry |         | 80.00% | Establishment   |
| Yibin Wuliangye Creart Co., Ltd.                       | Yibin   | Yibin   | Business         | 45.00%  |        | Establishment   |
| Wuliang NongXiang Series Baijiu Yibin Co., Ltd.        | Yibin   | Yibin   | Business         | 95.00%  |        | Establishment   |

Note on the difference between shareholding proportion and proportion of votes in subsidiary:

As reviewed and approved by the 5th board of directors of the Company, the Company, Beijing Sparkle Investment Co., Ltd., Shanghai Yue Shan Investment Management Co., Ltd. and Changjiang Growth Capital Co., Ltd. jointly funded and established Creart Company, of which the registered capital is RMB 100 million. The Company contributes RMB 45 million, taking up 45% of the registered capital. On December 9, 2014, Shanghai Yue Shan Investment Management Co., Ltd. and the Company entered into the Investment Cooperation Agreement of Yibin Wuliangye Creart Co., Ltd. through mutual negotiation, Shanghai Yue Shan Investment Management Co., Ltd. entrusted the Company for management of the 6% equity held by it in Creart Company from the effective date of the agreement till the duration of Creart Company. The Company will be entitled to the right of management of Shanghai Yue Shan Investment Management Co., Ltd. in Creart Company and the voting right at the shareholder meetings of Creart Company. The Company holds 51% of the voting rights at shareholder meetings of Creart Company in total, and therefore Creart Company is included in the consolidated statements.

As resolved by the shareholder meeting of Creart Company on February 23, 2018, Changjiang Growth Capital Co., Ltd. transferred 11% of the equity to Shanghai Yue Shan Investment Management Co., Ltd. and 6% of the equity to CHINA FINANCIAL INVESTMENT MANAGEMENT LIMITED; as resolved by the shareholder meeting of Creart Company on July 16, 2018, Beijing Sparkle Investment Co., Ltd. transferred 20% of the equity to Beijing Sparkle Hengye Education and Cultural Development Co., Ltd.; after the said equity transfer, the Company still holds 51% of the voting right at shareholder meetings of Creart Company, and therefore it is included in the consolidated statements.

The basis of controlling the invested company even if holding half or less than half voting rights and not controlling the invested company even if holding more than half voting rights:

1. As reviewed and approved by the 5th board of directors of the Company, the Company, Beijing Sparkle Investment Co., Ltd., Shanghai Yue Shan Investment Management Co., Ltd. and Changjiang Growth Capital Co., Ltd. jointly funded and established Creart Company, of which the registered capital is RMB 100 million. The Company contributes RMB 45 million, taking up 45% of the registered capital. On December 9, 2014, Shanghai Yue Shan Investment Management Co., Ltd. and the Company entered into the Investment Cooperation Agreement of Yibin Wuliangye Creart Co., Ltd. through mutual negotiation, Shanghai Yue Shan Investment Management Co., Ltd. entrusted the Company for management of the 6% equity held by it in Creart Company from the effective date of the agreement till the duration of Creart Company. The Company will be entitled to the right of management of Shanghai Yue Shan Investment Management Co., Ltd. in Creart Company and the voting right at the shareholder meetings of Creart Company. The Company holds 51% of the voting rights at shareholder meetings of Creart Company in total, and therefore Creart Company is included in the consolidated statements.

As resolved by the shareholder meeting of Creart Company on February 23, 2018, Changjiang Growth Capital Co., Ltd. transferred 11% of the equity to Shanghai Yue Shan Investment Management Co., Ltd. and 6% of the equity to CHINA FINANCIAL INVESTMENT MANAGEMENT LIMITED; as

resolved by the shareholder meeting of Creart Company on July 16, 2018, Beijing Sparkle Investment Co., Ltd. transferred 20% of the equity to Beijing Sparkle Hengye Education and Cultural Development Co., Ltd.; after the said equity transfer, the Company still holds 51% of the voting right at shareholder meetings of Creart Company, and therefore it is included in the consolidated statements.

2. On October 26, 2015, as reviewed and adopted by the 10th meeting of the 5th board of directors of the Company: Sichuan Yibin Wuliangye Group Xianlin Fruit Wine Co., Ltd. (which had been renamed as Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd. in 2019), a controlling subsidiary of the Company and contributing RMB 14.1 million (taking up 47% of the equity), Yibin Guotai Commerce and Trade Co., Ltd. (which is now Yibin Guotai Supply Chain Management Co., Ltd.) and contributing RMB 11.4 million (taking up 38% of the equity), and Guangzhou Jude Trade Co., Ltd., contributing RMB 4.5 million (taking up 15% of the equity), jointly established “Yibin Wuliangye Xinshengdai Liquor Co., Ltd.” (Hereinafter referred to as “Xinshengdai Company”), of which the registered capital is RMB 30 million. Registration of Xinshengdai Company was completed on July 11, 2016. Its registered capital is RMB 30 million. The board of directors of Xingshengdai Company consists of 5 directors. The Company holds 2/3 of the voting rights in it, and therefore it is included in the consolidated statements.

**(2) Important non-wholly owned subsidiaries**

Unit: RMB

| Name of subsidiary                        | Minority shareholders<br>Shareholding proportion | Current profits and losses<br>attributable to minority<br>shareholders | Current dividends declared to<br>minority shareholders | Ending balance of minority equity |
|---|--|--|--|-----------------------------------|
| Yibin Wuliangye Liquor Sales Co.,<br>Ltd. | 5.00%  | 764,461,060.81   | 543,507,232.77   | 1,056,336,282.57                  |

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

Unit: RMB

| Name of subsidiary                        | Ending balance    |                    |                   |                     |                         |                   |
|---|-------------------|--------------------|-------------------|---------------------|-------------------------|-------------------|
|   | Current assets    | Non-current assets | Total assets      | Current liabilities | Non-current liabilities | Total liabilities |
| Yibin Wuliangye Liquor Sales Co.,<br>Ltd. | 43,177,094,335.69 | 670,748,625.90     | 43,847,842,961.59 | 23,011,738,027.70   |                         | 23,011,738,027.70 |
|   | Beginning balance |                    |                   |                     |                         |                   |
|   | Current assets    | Non-current assets | Total assets      | Current liabilities | Non-current liabilities | Total liabilities |
|   | 34,929,294,074.18 | 600,928,478.35     | 35,530,222,552.53 | 19,113,194,179.56   |                         | 19,113,194,179.56 |

Unit: RMB

| Name of subsidiary                     | Amount in current period  |                   |                            |                                      |
|--|---------------------------|-------------------|----------------------------|--------------------------------------|
|  | Operating revenue         | Net profit        | Total comprehensive income | Cash flows from operating activities |
| Yibin Wuliangye Liquor Sales Co., Ltd. | 46,559,665,282.40         | 15,289,221,216.27 | 15,289,221,216.27          | 17,588,142,720.27                    |
|  | Amount in previous period |                   |                            |                                      |
|  | Operating revenue         | Net profit        | Total comprehensive income | Cash flows from operating activities |
|  | 37,922,906,848.69         | 12,077,843,810.83 | 12,077,843,810.83          | 10,246,872,045.32                    |



## 2. Interests in joint venture arrangement or associates

### (1) Important joint ventures or associates

| Name of joint venture or associate              | Primary business place | Registered address | Nature of business              | Shareholding proportion |            | Accounting treatment of investment in joint ventures or associates |
|---|------------------------|--------------------|---------------------------------|-------------------------|------------|--|
|   |                        |                    |                                 | Directly                | Indirectly |  |
| Oriental Outlook Media Co., Ltd.                | Beijing                | Beijing            | Advertising industry            | 49.00%                  |            | Equity method  |
| Sichuan Yibin Wuliangye Group Finance Co., Ltd. | Yibin                  | Yibin              | Financial industry              | 36.00%                  |            | Equity method  |
| Yibin Jiamei Intelligent Packaging Co., Ltd.    | Yibin                  | Yibin              | Packaging and printing industry |                         | 48.28%     | Equity method  |

### (2) Main financial information of important associates

Unit: RMB

|   | Ending balance/Amount in current period         | Beginning balance/Amount in previous period     |
|---|---|---|
|   | Sichuan Yibin Wuliangye Group Finance Co., Ltd. | Sichuan Yibin Wuliangye Group Finance Co., Ltd. |
| Total assets  | 47,753,623,863.80                               | 30,371,515,738.92                               |
| Total liabilities   | 44,990,128,067.29                               | 27,855,582,546.77                               |
| Equity attributable to the shareholders of parent company               | 2,763,495,796.51                                | 2,515,933,192.15                                |
| Share of net assets calculated according to the shareholding proportion | 994,858,486.74                                  | 905,735,949.18                                  |
| Book value of equity investment in associates                           | 994,858,486.74                                  | 905,735,949.18                                  |
| Operating revenue   | 458,658,749.74                                  | 472,863,619.21                                  |
| Net profit  | 247,562,604.36                                  | 298,813,630.79                                  |
| Total comprehensive income  | 247,562,604.36                                  | 298,813,630.79                                  |
| Dividends received from associates in current year                      |   | 36,000,000.00                                   |

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

Unit: RMB

|   | Ending balance/Amount in current period | Beginning balance/Amount in previous period |
|---|---|---|
| Associates:   | --                                      | --  |
| Total book value of investments   | 26,920,244.84                           | 13,742,029.36                               |
| Total amount of the following items calculated by shareholding proportion | --                                      | --  |
| --Net profit  | 3,378,215.48                            | -6,708,352.03                               |
| --Total comprehensive income  | 3,378,215.48                            | -6,708,352.03                               |

## 3. Interests in the structured entity that is not included in the consolidated financial statements

Note on structured entity that is not included in the consolidated financial statements: None

## X. Related parties and related transactions

### 1. Note on parent company of the Company

| Name of parent company                       | Registered address | Nature of business | Registered capital | Shareholding ratio of the parent company in the Company | Proportion of votes of the parent company in the Company |
|--|--------------------|--------------------|--------------------|---|--|
| Yibin State-Owned Assets Operation Co., Ltd. | Yibin              | Investment         | RMB 1,390 million  | 35.21%  | 35.21%   |

Note on parent company of the Company:

Yibin State-Owned Assets Operation Co., Ltd. is a wholly state-owned company funded and established by the People's Government of Yibin City. Legal representative of the company is Han Cheng and its registered capital is RMB 1,390 million. Its business scope includes the state-owned property right (including state-owned shares), state-owned assets and state investments as authorized by the People's Government of Yibin City. The company, as an investor, conducts capital management and assets management by holding, shareholding, investment and receiving assignment, transfer, auction, and lease within the limits of authority.

Main functions of Yibin State-Owned Assets Operation Co., Ltd. include: First, holding state-owned equity and exercising shareholder's rights in municipal-level enterprise on behalf of the People's Government of Yibin City; second, raising funds for key construction projects as a investment and financing platform of the People's Government of Yibin City, and investing in such projects by shareholding and holding; third, promoting the maintenance and appreciation of the value of state-owned assets and economic development of the city by capital management and assets management.

Yibin State-Owned Assets Operation Co., Ltd., by administrative transfer of state-owned assets, holds 100% of the equity of Sichuan Yibin Wuliangye Group Co., Ltd., so that it controls 2,128,371,363.00 shares of the Company directly or indirectly, taking up 54.83% of the total capital stock of the Company.

The State-owned Assets Supervision and Administration Commission of Yibin Municipal Government is the ultimate controller of the Company.

### 2. Note on subsidiaries of the Company

Refer to the Note "IX. Interests in other entities" for information about subsidiaries of the Company.

### 3. Note on joint ventures and associates of the Company

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

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

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

### 4. Note on other related parties

| Names of other related parties                        | Relationship between other related parties and the Company   |
|---|--|
| Sichuan Yibin Wuliangye Group Co., Ltd.               | Legal representative of the Company concurrently serves as the President (General Manager of Wuliangye Group), and some directors and officers of the Company currently hold positions in Wuliangye Group; directly holding 19.63% equities of the Company |
| Sichuan Anji Logistic Group Co., Ltd.                 | Subsidiaries of Wuliangye Group  |
| Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd. | Subsidiaries of Anji Logistic Group Co., Ltd.  |

|  |   |
|--|---|
| Yibin Anji Logistic Group Shenzhou Transportation Co., Ltd.              | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Yibin Wuliangye Group I&E Co., Ltd.                                      | Subsidiaries of Wuliangye Group               |
| Sichuan Yibin Push Group 3D Co., Ltd.                                    | Subsidiaries of Wuliangye Group               |
| Yibin Huanyu Trade Co. Ltd.  | Subsidiaries of Wuliangye Group               |
| Sichuan Yibin Push Mold Co., Ltd.  | Subsidiaries of Push Group Company            |
| Sichuan Push Acetati Company Limited                                     | Subsidiaries of Push Group Company            |
| Sacred Mountain Molin Group Co., Ltd., Sichuan                           | Subsidiaries of Wuliangye Group               |
| Sacred Garments & Home-Tex Co.,Ltd. Yibin, Sichuan                       | Subsidiaries of Sacred Mountain Molin Company |
| Yibin Shengdi Trade Co. Ltd.   | Subsidiaries of Sacred Mountain Molin Company |
| Yibin Jinlong Trade Development Corporation                              | Subsidiaries of Wuliangye Group               |
| Sichuan Yibin Global Group Co., Ltd.                                     | Subsidiaries of Wuliangye Group               |
| Sichuan Yibin Licai Group Co., Ltd.                                      | Subsidiaries of Wuliangye Group               |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | Subsidiaries of Global Group Company          |
| Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.                      | Subsidiaries of Wuliangye Group               |
| Sun Display 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            |
| Zhanjiang North Push Internal Development Co., Ltd.                      | Subsidiaries of Push Group Company            |
| Sichuan Yibin Push Auto Parts Co., Ltd.                                  | Subsidiaries of Push Group Company            |
| Push Information & Automation (Chengdu) Co., Ltd.                        | Subsidiaries of Push Group Company            |
| Chengdu Global Special Glass Manufacturing Co., Ltd.                     | Subsidiaries of Global Group Company          |
| Sichuan Zhongke Better Technology Co., Ltd.                              | Subsidiaries of Global Group Company          |
| Sichuan Chengdu Push Electromechanical Technology Research Co., Ltd.     | Subsidiaries of Push Group                    |
| Sichuan Yibin Wuliangye Group Anji Logistic Shipping Co., Ltd.           | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Yibin Ansage International Logistic Co., Ltd.                            | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Yibin Ansage Auto Service Co., Ltd.                                      | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Sichuan Yibin Weilisi Float Glass Manufacturing Co., Ltd.                | Subsidiaries of Global Group Company          |
| Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | Subsidiaries of Wuliangye Group               |
| Sichuan Haida Rubber Group Co., Ltd.                                     | Subsidiaries of Wuliangye Group               |
| Sichuan Tyre Rubber (Group) Co., Ltd.                                    | Subsidiaries of Haida Group Company           |
| Sichuan Yibin Push Intelligent Technology Co., Ltd.                      | Subsidiaries of Push Group Company            |
| Sichuan Baiweiyuan Food Co., Ltd.  | Subsidiaries of Wuliangye Group               |
| Chengdu Baiweiyuan Co., Ltd.   | Subsidiaries of Baiweiyuan                    |
| PUSH NINGJIANG MACHINE TOOL 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 Times Technology Co., Ltd.          | Subsidiaries of Push Group Company            |
| Sichuan Sacred Mountain Hechang Clothing Co., Ltd. | Subsidiaries of Sacred Mountain Molin Company |
| Chengdu Sacred Mountain Clothing Company           | Subsidiaries of Sacred Mountain Molin Company |
| Yibin Push Assets Management Co., Ltd.             | Subsidiaries of Push Group Company            |
| Sichuan Ansage Supply Chain Management Co., Ltd.   | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Sichuan Andaxin Logistic Co., Ltd.                 | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Yibin Global Energy Conservation Service Co., Ltd. | Subsidiaries of Global Group Company          |
| Yibin Wuliangye Ecological Brewing Co., Ltd.       | Subsidiaries of Health Wine Group Company     |
| Chengdu Push Automobile Mold Co., Ltd.             | Subsidiaries of Push Group Company            |
| Chengdu Wu Liang Ye Grand Hotel Co., Ltd.          | Subsidiaries of Wuliangye Group               |
| Chengdu Puchuan Biomaterials Corporation           | Subsidiaries of Push Group Company            |
| Yibin Jitai Automobile Sales & Service Co., Ltd.   | Subsidiaries of Anji Logistic Group Co., Ltd. |
| Wuming Tea Industry Holding Co., Ltd.              | Subsidiaries of Wuliangye Group Fund Company  |
| Sichuan Linhu Tea Co., Ltd.                        | Subsidiaries of Wuliangye Group Fund Company  |
| Yibin Leitian Agricultural Development Co., Ltd.   | Subsidiaries of Wuliangye Group Fund Company  |
| Sichuan Huansheng Pharmacy Co., Ltd.               | Subsidiaries of Yibin Medicine                |
| Sinopharm Group Yibin Medicine Co., Ltd.           | Subsidiaries of Wuliangye Group               |
| Yibin Paper Industry Co., Ltd.                     | Subsidiaries of Wuliangye Group               |

## 5. Related transactions

### (1) Related transaction of purchases and sales of goods, provision and acceptance of services

Purchase of goods/acceptance of services

Unit: RMB

| Related parties                                   | Content of related transaction     | Amount in current period | Transaction quota approved | Whether exceed the transaction quota | Amount in previous period |
|---|------------------------------------|--------------------------|----------------------------|--------------------------------------|---------------------------|
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd. | Raw materials, etc.                | 301,983,377.21           |                            |                                      | 270,592,103.32            |
| Yibin Shengdi Trade Co. Ltd.                      | Packing materials                  | 174,572,272.41           |                            |                                      | 200,245,417.69            |
| Yibin Jinlong Trade Development Corporation       | Raw materials, etc.                | 290,706,070.30           |                            |                                      | 140,555,177.69            |
| Sichuan Yibin Push Mold Co., Ltd.                 | Molds, raw materials, etc.         | 109,798,846.35           |                            |                                      | 43,753,936.82             |
| Chengdu PUTH Medical Plastics Packaging Co., Ltd. | Raw materials                      | 60,424,484.53            |                            |                                      | 80,735,190.83             |
| Sichuan Yibin Push Group 3D Co., Ltd.             | RFID anti-counterfeit labels, etc. | 56,232,156.94            |                            |                                      | 74,458,756.32             |
| Chengdu Wu Liang Ye Grand Hotel Co., Ltd.         | Liquors                            | 30,479,352.83            |                            |                                      | 1,613,275.98              |
| Sacred Mountain Molin Group Co., Ltd., Sichuan    | Uniform of exclusive shop          | 26,945,284.35            |                            |                                      |                           |
| Sichuan Yibin Push Drive Co., Ltd.                | Raw materials, etc.                | 23,294,806.98            |                            |                                      | 34,745,347.66             |
| Sacred Mountain Molin Group Co., Ltd., Sichuan    | Labor protection appliances, etc.  | 24,336,543.65            |                            |                                      |                           |
| Chengdu Huayu Glass Manufacturing Co., Ltd.       | Raw materials                      | 21,183,258.71            |                            |                                      | 1,024,746.54              |
| Yibin Shengdi Trade Co. Ltd.                      | Labor protection appliances, etc.  | 16,696,955.69            |                            |                                      | 46,333,353.57             |
| Sichuan Putian Times Technology Co., Ltd.         | Slices, paper, etc.                | 11,196,877.60            |                            |                                      | 20,591,824.63             |
| Wuming Tea Industry Holding Co., Ltd.             | Labor protection appliances, etc.  | 7,222,346.19             |                            |                                      |                           |
| Yibin Wuliangye Group I&E Co., Ltd.               | Liquors                            | 1,478,570.01             |                            |                                      | 4,016,738.99              |

|   |   |                         |  |  |                       |
|---|---|-------------------------|--|--|-----------------------|
| Yibin Ansage Auto Service Co., Ltd.                                 | Gasoline  | 1,507,849.01            |  |  | 2,127,027.63          |
| Sacred Garments & Home-Tex Co.,Ltd.<br>Yibin, Sichuan               | Raw materials, etc.   | 1,478,897.85            |  |  | 137,456.65            |
| Sichuan Huansheng Pharmacy Co., Ltd.                                | Medicine  | 1,437,983.40            |  |  |                       |
| Sichuan Yibin Push Building Materials Co., Ltd.                     | Raw materials, etc.   | 650,635.50              |  |  | 4,331,717.61          |
| Yibin Global Energy Conservation Service Co., Ltd.                  | Oxygen  | 594,774.05              |  |  | 3,657,643.70          |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Raw materials, etc.   | 110,639.79              |  |  | 525,635.33            |
| Sichuan Ansage Supply Chain Management Co., Ltd.                    | Grains  |                         |  |  | 36,034,759.17         |
| Henan Anhuai Grain Industry Co., Ltd.                               | Grains  |                         |  |  | 11,970,731.15         |
| Yibin Ansage International Logistic Co., Ltd.                       | Liquors   |                         |  |  | 4,395,772.50          |
| Zhanjiang North Push Internal Development Co., Ltd.                 | Raw materials   |                         |  |  | 1,743,589.74          |
| Yibin Ansage Auto Service Co., Ltd.                                 | Fragmentary materials, labor protection appliances, etc.            |                         |  |  | 457,969.42            |
| Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.                 | Liquor supplies, etc.   |                         |  |  | 273,583.33            |
| Chengdu Global Special Glass Manufacturing Co., Ltd.                | Raw materials   |                         |  |  | 80,209.74             |
| Sub-total of other fragmentary related procurement                  |   | 1,317,285.93            |  |  | 1,028,812.89          |
| <b>Total related procurement</b>                                    |   | <b>1,163,649,269.28</b> |  |  | <b>985,430,778.90</b> |
| Sichuan Anji Logistic Group Co., Ltd.                               | Freight and miscellaneous expenses, external labor cost, etc.       | 536,072,363.11          |  |  | 417,966,923.29        |
| Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.               | Freight and miscellaneous expenses, company bus expenses, etc.      | 17,028,929.67           |  |  | 31,027,950.97         |
| Sichuan Yibin Push Intelligent Technology Co., Ltd.                 | Maintenance cost, etc.  | 8,903,084.34            |  |  | 19,713,844.60         |
| Chengdu Wu Liang Ye Grand Hotel Co., Ltd.                           | Publicity expense, etc.   | 5,406,017.06            |  |  |                       |
| Yibin Global Energy Conservation Service Co., Ltd.                  | Wastewater treatment, etc.  | 2,973,218.40            |  |  |                       |
| Yibin Ansage Auto Service Co., Ltd.                                 | Freight and miscellaneous expenses, maintenance, vehicle cost, etc. | 3,438,785.56            |  |  | 1,732,210.00          |
| Yibin Push Linko Technology Co., Ltd.                               | Maintenance cost  | 1,607,648.75            |  |  | 1,455,359.22          |
| Sichuan Ansage Supply Chain Management Co., Ltd.                    | Freight and miscellaneous expenses                                  | 1,291,498.45            |  |  | 2,332,748.31          |
| Sacred Garments & Home-Tex Co.,Ltd.<br>Yibin, Sichuan               | Printing and production cost  | 1,180,111.07            |  |  |                       |
| Yibin Ansage International Logistic Co., Ltd.                       | Freight and miscellaneous expenses, etc.                            | 408,600.84              |  |  | 684,700.51            |
| Sichuan Yibin Push Mold Co., Ltd.                                   | Maintenance cost, etc.  | 764,669.97              |  |  | 3,903,408.28          |
| Sichuan Yibin Wuliangye Group Anji Logistic Shipping Co., Ltd.      | Freight and miscellaneous expenses                                  |                         |  |  | 1,468,893.13          |
| Chengdu Huayu Glass Manufacturing Co., Ltd.                         | Labor cost  |                         |  |  | 4,455,308.75          |
| Yibin Ansage Auto Service Co., Ltd.                                 | Publicity expense   |                         |  |  | 568,030.23            |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Maintenance cost  | 166,833.02              |  |  | 555,886.11            |
| Chengdu PUTH Medical Plastics Packaging Co., Ltd.                   | Outsourced processing fee, etc.                                     |                         |  |  | 502,517.51            |
| Sub-total of other fragmentary services received                    |   | 495,604.90              |  |  | 988,149.88            |
| <b>Total services received</b>                                      |   | <b>579,737,365.14</b>   |  |  | <b>487,355,930.79</b> |

**Related transaction of purchases of goods and acceptance of services**

Note 1: On January 1, 2018, the Company and Yibin Shengdi Trade Co. Ltd. entered into the Labor Protection Appliances and Packing Bags Supply Agreement, according to which the latter shall supply products to the Company based on its needs for production and operation. The Company conducts

acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received of the packing bags provided by Shengdi Company is the qualified quantity after the production and use by the Company, and the actual quantity received of the labor protection appliances is the quantity accepted by the Company. The settlement shall be based on the actual quantity received as determined by the Company. Price of the products supplied under the Agreement strictly complies with the market price and shall not be higher than the price charged by Shengdi Company for providing the products to any third party. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Yibin Jinlong Trade Development Corporation entered into the Raw and Auxiliary Materials Supply Agreement, according to which the latter shall supply raw and auxiliary materials to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 3: The Company and Sichuan Anji Logistic Group Co., Ltd. entered into the Logistics Service Agreement, according to which the Company outsources the logistics business during the production and operation to Anji Logistic Group. The scope of logistics business includes (loading and unloading, handling, storage, and transportation of raw and auxiliary materials during the procurement logistics, production logistics and sales logistics). Anji Group shall provide professional logistics service to ensure the safety and timeliness of the products. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Group 3D Co., Ltd. entered into the Anti-counterfeit Labels Supply Agreement, according to which the latter shall supply anti-counterfeit labels to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the quantity that passes the acceptance inspection. The agreement products are paid at market price based on the actual qualified quantity of the packing workshop of the Company. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 5: On January 1, 2018, the Company and Sichuan Yibin Push Mold Co., Ltd. entered into the Mold Supply Agreement, according to which the latter shall supply molds to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 6: On January 1, 2018, the Company and Sichuan Yibin Push Drive Co., Ltd. entered into the Injection Products Supply Agreement, according to which the latter shall supply products to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 7: On January 1, 2018, the Company and Sichuan Putian Times Technology Co., Ltd. entered into the Supply Agreement of Container Bags, Boxes, Accessories, Raw and Auxiliary Materials, according to which the latter shall supply container bags, boxes, accessories, raw and auxiliary materials to the Company at any time based on its needs for production and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use by the Company. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 8: The Company and Sichuan Yibin Global Group Tianwo Trade Co., Ltd. entered into the Cooperation Agreement, according to which the latter shall supply base paper, raw materials for glass, labor protection appliances, auxiliary materials, and other materials to the Company based on its needs for production and operation. Price of the products is determined by the market price through negotiation and confirmed by contract. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 9: On January 1, 2018, the Company and Chengdu PUTH Medical Plastics Packaging Co., Ltd. entered into the Supply Agreement of Injection Products, Blister Products and Film Products, according to which the latter shall supply products to the Company at any time based on its needs for production

and operation. The Company warehouses and conducts acceptance for all agreement products which actually delivered according to the Agreement; the actual quantity received is the qualified quantity after the production and use. The products are paid at the market price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 10: On August 6, 2019, the Company and Sacred Mountain Molin Group Co., Ltd., Sichuan entered into the Procurement Contract of Salesman Uniform for Wuliangye Exclusive Shop, according to which the latter shall supply a batch of salesman uniforms for Wuliangye exclusive shops to the Company. Settlement shall be based on the quantity actually delivered. The product price consists of expenses (tax inclusive) of the goods related to materials, manufacturing, packing, transportation, inspection, and acceptance incurred before delivery, and those of the maintenance services and spare parts during the warranty period and other relevant items.

Statement of sales of goods/provision of services

Unit: RMB

| Related parties  | Content of related transaction      | Amount in current period | Amount in previous period |
|--|-------------------------------------|--------------------------|---------------------------|
| Yibin Wuliangye Group I&E Co., Ltd.                                      | Liquor products                     | 652,880,429.95           | 715,766,573.69            |
| Sichuan Putian Times Technology Co., Ltd.                                | Bottle caps, slices, etc.           | 191,905,219.10           | 252,780,516.68            |
| Sichuan Yibin Push Auto Parts Co., Ltd.                                  | Raw materials, etc.                 | 75,061,728.49            |                           |
| Chengdu PUTH Medical Plastics Packaging Co., Ltd.                        | Slices, coiled materials, etc.      | 51,564,215.88            | 66,978,102.10             |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | Glass bottles, paper products, etc. | 57,930,524.81            | 3,624,383.37              |
| Yibin Jinlong Trade Development Corporation                              | Lactic acid                         | 47,502,991.20            |                           |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | Industrial sodium carbonate         | 37,516,574.09            | 3,730,065.14              |
| Sichuan Yibin Global Group Co., Ltd.                                     | Raw materials, etc.                 | 28,853,048.01            |                           |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | Slices                              | 28,286,548.75            |                           |
| Chengdu Wu Liang Ye Grand Hotel Co., Ltd.                                | Liquor products                     | 27,523,335.87            | 89,429,112.08             |
| Sichuan Yibin Push Drive Co., Ltd.                                       | Slices, etc.                        | 22,399,640.97            | 24,701,982.94             |
| Sichuan Sacred Mountain Hechang Clothing Co., Ltd.                       | Plastic products                    | 18,004,711.29            | 21,408,586.54             |
| Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | Liquor products                     | 16,286,898.80            | 93,551,948.14             |
| Sichuan Yibin Push Building Materials Co., Ltd.                          | Slices, etc.                        | 15,991,958.85            | 33,859,217.64             |
| Chengdu Huayu Glass Manufacturing Co., Ltd.                              | Cartons, glass bottles, etc.        | 14,907,215.21            | 18,000,848.73             |
| Sacred Garments & Home-Tex Co.,Ltd. Yibin, Sichuan                       | Hang tags, labels, etc.             | 7,907,456.49             | 9,486,111.04              |
| Yibin Jinlong Trade Development Corporation                              | Liquor products                     | 7,870,256.50             | 1,283,015.48              |
| Yibin Huanyu Trade Co. Ltd.  | Liquor products                     | 6,626,332.05             | 8,705,848.56              |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | Coal                                | 5,387,532.19             | 25,288,327.96             |
| Yibin Jinlong Trade Development Corporation                              | Mixed grains, DDGS                  | 4,004,260.39             | 3,578,166.77              |
| Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | Bottle caps, packing boxes, etc.    | 3,713,386.76             | 5,585,316.28              |
| Sichuan Linhu Tea Co., Ltd.  | Liquor products                     | 1,811,362.84             |                           |
| Push Information & Automation (Chengdu) Co., Ltd.                        | Bottle caps, glass bottles, etc.    | 1,073,093.87             | 2,865,375.88              |
| Yibin Leitian Agricultural Development Co., Ltd.                         | Liquor products                     | 1,015,752.21             |                           |
| Yibin Wuliangye Ecological Brewing Co., Ltd.                             | Paper products                      | 822,205.32               | 1,941,370.22              |
| Sun Display Co., Ltd.  | Steam, etc.                         | 806,692.32               | 777,618.96                |

|   |  |                         |                         |
|---|--|-------------------------|-------------------------|
| Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.   | Liquor products                            | 565,230.53              | 97,688,287.32           |
| Wuming Tea Industry Holding Co., Ltd.                 | Liquor products                            | 632,792.69              |                         |
| Sichuan Yibin Wuliangye Group Co., Ltd.               | Liquor products, etc.                      | 542,768.10              | 465,934.01              |
| Yibin Push Linko Technology Co., Ltd.                 | Wastewater treatment, etc.                 | 535,218.99              | 502,658.51              |
| Sichuan Yibin Push Mold Co., Ltd.                     | Plastic products                           | 531,795.45              | 679,915.51              |
| PUSH NINGJIANG MACHINE TOOL CO.,LTD.                  | Liquor products                            | 530,973.45              | 517,241.38              |
| Sichuan Yibin Push Auto Parts Co., Ltd.               | Wastewater treatment, etc.                 | 461,382.07              | 427,386.04              |
| Sinopharm Group Yibin Medicine Co., Ltd.              | Liquor products                            | 526,341.62              |                         |
| Chengdu Push Automobile Mold Co., Ltd.                | Wastewater treatment, etc.                 | 486,638.80              | 393,731.33              |
| Sichuan Linhu Tea Co., Ltd.                           | Packing materials                          | 477,876.11              |                         |
| Yibin Wuliangye Group I&E Co., Ltd.                   | Sheets, sundries, etc.                     | 462,595.80              | 206,432.39              |
| Sichuan Yibin Push Building Materials Co., Ltd.       | Wastewater treatment, etc.                 | 425,882.28              | 427,194.42              |
| Yibin Paper Industry Co., Ltd.                        | Paper products                             | 350,401.70              |                         |
| Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd. | Sundries, etc.                             | 314,273.67              | 467,332.45              |
| Yibin Wuliangye Ecological Brewing Co., Ltd.          | Steam                                      | 275,691.26              | 440,017.00              |
| Sichuan Yibin Push Group 3D Co., Ltd.                 | Liquor products                            | 155,778.51              | 574,465.81              |
| Chengdu Puchuan Biomaterials Corporation              | Slices and bottle caps                     | 133,791.16              | 558,222.83              |
| Sichuan Push Acetati Company Limited                  | Raw materials, etc.                        | 125,985.74              | 1,724,236.91            |
| Sichuan Yibin Push Group 3D Co., Ltd.                 | Sheets, rolled materials, laser film, etc. | 57,559.00               | 2,039,166.27            |
| Sichuan Yibin Global Group Co., Ltd.                  | Liquor products                            | 26,666.28               | 698,146.86              |
| Sichuan Tyre Rubber (Group) Co., Ltd.                 | Liquor products                            | 7,964.60                | 1,344,827.58            |
| Yibin Huanyu Trade Co. Ltd.                           | Chuan-shaped tray                          |                         | 2,905,351.90            |
| Yibin Wuliangye Ecological Brewing Co., Ltd.          | Liquor products                            |                         | 744,175.51              |
| Chengdu Sacred Mountain Clothing Company              | Paper products                             |                         | 157,986.71              |
| Other fragmentary sales                               |  | 1,765,907.27            | 1,777,217.89            |
| <b>Total</b>  |  | <b>1,337,046,887.29</b> | <b>1,498,082,416.83</b> |

Related transaction of sales of goods and provision of services

Note 1: On January 1, 2018, the Company and Yibin Wuliangye Group I&E Co., Ltd. entered into the Export Commodities Purchase and Sales Agreement. The price of the agreement products supplied by the Company to I&E Company is floating. The supply price (tax exclusive) is 70%-73% of the average selling price per bottle of I&E Company in the previous month. According to the Agreement, I&E Company shall give the Company prior written notice of specific requirements for specification, model, packaging, anti-counterfeit label, quantity, and delivery term of the Wuliangye series products according to the demands of the international market, and prepay 60% of the purchase price to the Company. The Company shall organize the production and supply Wuliangye series liquor products in a timely manner according to the export demands of I&E Company. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. entered into the Base Liquor Purchase and Sales Agreement, according to which the latter shall give the Company prior written notice of the specific requirements for the quantity and date of delivery of the base liquor according to the market demands. The Company shall supply the



agreement products according to the needs for production and operation of the Ecological Brewery Company. The price for supply of the agreement products shall strictly comply with the market price and paid before delivery. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 3: The Company and Chengdu PUTH Medical Plastics Packaging Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company based on its needs for production and operation. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Building Materials Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 5: On January 1, 2018, the Company and Yibin Jinlong Trade Development Corporation entered into the Commodity Purchase and Sales Agreement, according to which the latter shall communicate with the Company about consumption of the agreement products in a timely manner, and the Company shall ensure timely supply of the agreement products to satisfy the needs of Jinlong Trade Company. Price for supply of the agreement products shall be based on the market price. The Company shall give a one-week written notice of price adjustment in case of adjustment of the price of the agreement product; Payment for supply of the agreement product which is actually occurred shall be settled regularly. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 6: On January 1, 2018, the Company and Sichuan Yibin Push Drive Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 7: On January 22, 2018, the Company and Yibin Huanyu Trade Co. Ltd. entered into the General Distributor Contract of "Jinqiaoxi" Series Liquor, according to which Huanyu Trade Company is authorized as the nationwide general distributor of "Jinqiaoxi" series liquors of the Company. Both parties shall finalize the design according to the new product design scheme provided by Huanyu Trade Company and seal the samples, and then the Company shall organize the production. Payment shall be made before delivery. The Agreement is valid from January 22, 2018 to December 25, 2020.

Note 8: On January 23, 2018, the Company and Sichuan Sacred Mountain Hechang Clothing Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products, spare parts, and other production materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 9: The Company and Chengdu Huayu Glass Manufacturing Co., Ltd. entered into the Cooperation Agreement, according to which the latter shall procure cartons, paper products, and glass bottles from the Company and the Company shall make the procurement plan according to the specification and quantity of the ordered products. The Company shall make calculation and quotation to Huayu Company based on the planned type and carry out production and supply according to the plan after the price is determined. The quantity shall be that of the products which are actually used and warehoused after the arrival and acceptance. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 10: On January 22, 2018, the Company and Sichuan Putian Times Technology Co., Ltd. entered into the Framework Contract, according to which the latter shall procure raw materials, packaging products and other materials from the Company. The product price consists of the factory price of materials, packing expenses, and various testing fees of the material, profits, taxes and other expenses. Refer to terms of payment as specified in specific sales contract for settlement of the purchase price. The Agreement is valid from January 1, 2018 to December 31, 2020.

**(2) Related-party lease**

The Company as the lessor:

Unit: RMB

| Name of lessee  | Type of leased assets | Lease revenue recognized in current period | Lease revenue recognized in previous period |
|---|-----------------------|--|---|
| Chengdu PUTH Medical Plastics Packaging Co., Ltd.                   | Equipment             | 814,150.22                                 |   |
| Sichuan Yibin Push Building Materials Co., Ltd.                     | Warehouse             | 663,267.96                                 | 663,267.96                                  |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                   | Buildings             | 375,599.99                                 | 24,642.86                                   |
| Sichuan Putian Times Technology Co., Ltd.                           | Houses and warehouses | 303,326.53                                 | 142,742.12                                  |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Buildings             | 226,285.72                                 | 142,993.25                                  |
| Sichuan Anji Logistic Group Co., Ltd.                               | Buildings             | 169,268.48                                 |   |
| Sichuan Yibin Push Intelligent Technology Co., Ltd.                 | Equipment             | 57,142.86                                  |   |
| Sichuan Putian Times Technology Co., Ltd.                           | Equipment             | 52,907.76                                  | 65,682.50                                   |
| Sichuan Yibin Push Intelligent Technology Co., Ltd.                 | Buildings             | 28,436.65                                  |   |
| Chengdu Huayu Glass Manufacturing Co., Ltd.                         | Buildings             | 5,528.57                                   | 27,171.43                                   |

The Company as the lessee:

Unit: RMB

| Name of lessor  | Type of leased assets          | Rents recognized in current period | Rents recognized in previous period |
|---|--------------------------------|------------------------------------|-------------------------------------|
| Sichuan Yibin Wuliangye Group Co., Ltd.                             | Land                           | 296,558,180.00                     | 296,558,180.00                      |
| Sichuan Anji Logistic Group Co., Ltd.                               | Warehouse                      | 39,453,231.04                      | 47,369,747.05                       |
| Sichuan Yibin Wuliangye Group Co., Ltd.                             | Operation and management areas | 29,822,513.62                      | 29,735,256.48                       |
| Sichuan Yibin Licai Group Co., Ltd.                                 | Buildings                      | 15,512,748.60                      | 15,512,748.60                       |
| Sichuan Yibin Push Group 3D Co., Ltd.                               | Operation and management areas | 6,715,238.10                       | 6,715,238.10                        |
| Chengdu Huayu Glass Manufacturing Co., Ltd.                         | Equipment                      | 4,289,229.22                       | 1,966,163.65                        |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Warehouse                      | 3,349,628.67                       | 2,426,766.75                        |
| Sichuan Yibin Global Group Co., Ltd.                                | Warehouse                      | 2,989,811.34                       | 2,690,830.18                        |
| Yibin Push Assets Management Co., Ltd.                              | Warehouse                      | 2,941,500.95                       | 1,907,855.24                        |
| Sichuan Andaxin Logistic Co., Ltd.                                  | Warehouse                      | 2,867,086.53                       | 5,351,148.12                        |
| Yibin Push Linko Technology Co., Ltd.                               | Warehouses and houses          | 2,345,358.51                       | 1,933,924.54                        |
| Sichuan Yibin Push Group 3D Co., Ltd.                               | Warehouse                      | 1,865,139.63                       | 3,108,566.05                        |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Equipment                      | 1,534,759.71                       |                                     |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                   | Warehouse                      | 1,228,525.72                       | 1,433,280.01                        |
| Yibin Push Linko Technology Co., Ltd.                               | Equipment                      | 768,000.00                         |                                     |
| Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.               | Warehouse                      | 111,566.01                         |                                     |
| Sichuan Ansage Supply Chain Management Co., Ltd.                    | Warehouse                      | 44,719.64                          | 664,717.82                          |
| Sichuan Yibin Weilisi Float Glass Manufacturing Co., Ltd.           | Equipment                      | 14,455.75                          | 67,015.69                           |

|   |           |  |            |
|---|-----------|--|------------|
| Chengdu Huayu Glass Manufacturing Co., Ltd. | Buildings |  | 195,816.96 |
| Sichuan Anji Logistic Group Co., Ltd.       | Vehicles  |  | 151,834.95 |

#### Note on related-party lease

Note 1: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into three Land Lease Agreements, according to which Wuliangye Group leases three plots of land owned by it to the Company. The leased areas are 2,315,349.08, 724,958.17 and 666,670.00 square meters, with the annual rents of RMB 185.2279 million, RMB 57.9967 million and RMB 53.3336 million, respectively, totaling RMB 296.5582 million. The lease term is from January 1, 2018 to December 31, 2020.

#### Land price criterion:

The land lease pricing policy of the Company and Sichuan Yibin Wuliangye Group Co., Ltd. is formulated with reference to the land lease criterion of previous years and in accordance with the Reply of Yibin Land Resource Administration Bureau on the Request of Wuliangye Group for Adjustment of the Land Lease Criterion (YGTH (2010) No. 53, March 12, 2010), which stating that "the rent of RMB 50-110 per square meter per year for the industrial land in this area is consistent with prevailing land price of Yibin". The Company and Wuliangye Group determine the rent of leased land as RMB 80 per square meter per year through mutual agreement.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Operation and Management Areas Lease Agreement, according to which Wuliangye Group leases part of the operation and management areas (including the office building, multi-function pavilion, etc.) owned by it to the Company. The leased area is 27,121.32 square meters, with the annual rent of RMB 29.256 million. The lease term is from January 1, 2018 to December 31, 2020.

Note 3: On December 29, 2017, the Company and Sichuan Yibin Licai Group Co., Ltd. entered into the Factory Building Lease Contract, according to which Licai Group leases the high-end product workshop building (1F-5F) at its headquarter to the Company. The leased area is 20,557.30 square meters, with the annual rent (tax inclusive) of RMB 16,288,386.00. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 4: On January 1, 2018, the Company and Sichuan Yibin Push Group 3D Co., Ltd. entered into the Operation and Management Areas Lease Agreement, according to which Push Group leases its office building located at No. 150, West Minjiang Road, Yibin and all office equipment in the office building to the Company. The leased area is 6,536.70 square meters, with the annual rent of RMB 7.051 million. The lease term is from January 1, 2018 to December 31, 2020.

### (3) Guarantee with related parties

The Company had no guarantee with related parties during the reporting period.

### (4) Loans and borrowings with related parties

The Company had no loans and borrowings with related parties during the reporting period.

### (5) Assets transfer and debt restructuring with related parties

There is no assets transfer and debt restructuring with related parties during the reporting period.

### (6) Key management personnel remuneration

Unit: RMB '0,000

| Item                                  | Amount in current period | Amount in previous period |
|---------------------------------------|--------------------------|---------------------------|
| Key management personnel remuneration | 744.12                   | 1,247.09                  |

### (7) Other related transactions

#### ① Procurement of equipment, etc.

Unit: RMB Yuan

| Related parties                         | Content of related transaction        | Amount in current period | Amount in previous period |
|---|---------------------------------------|--------------------------|---------------------------|
| Sichuan Yibin Wuliangye Group Co., Ltd. | Trademark and logo royalties (Note 1) | 577,396,281.55           | 480,734,618.78            |
| Sichuan Yibin Wuliangye Group Co., Ltd. | Comprehensive service fee (Note 2)    | 67,434,207.22            | 85,711,430.00             |

|   |   |               |               |
|---|---|---------------|---------------|
| Sichuan Yibin Push Group 3D Co., Ltd.                               | Trademark maintenance and patent fee                                    |               | 9,433.96      |
| Sichuan Yibin Push Intelligent Technology Co., Ltd.                 | Procurement of equipment  | 15,872,532.05 | 14,906,871.31 |
| Yibin Global Energy Conservation Service Co., Ltd.                  | No.4 Glass Kiln Gas Treatment Project                                   | 3,873,909.03  |               |
| Yibin Push Linko Technology Co., Ltd.                               | Purchase of equipment   | 764,000.00    | 1,729,342.74  |
| Chengdu PUTH Medical Plastics Packaging Co., Ltd.                   | Procurement of equipment  | 599,660.55    | 4,578,287.87  |
| Push Information & Automation (Chengdu) Co., Ltd.                   | Procurement of equipment  | 474,641.40    |               |
| Yibin Ansage Auto Service Co., Ltd.                                 | Purchase of transportation equipment                                    | 154,708.16    | 1,123,325.36  |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                   | Procurement of equipment  | 70,580.50     |               |
| Yibin Wuliangye Group I&E Co., Ltd.                                 | Procurement of equipment  |               | 4,150,086.00  |
| Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.               | Purchase of transportation equipment                                    |               | 1,636,767.74  |
| Yibin Jitai Automobile Sales & Service Co., Ltd.                    | Purchase of transportation equipment                                    |               | 1,604,260.35  |
| Yibin Global Photoelectric Energy Conservation Technology Co., Ltd. | Pipeline rectification project of the rain and sewage diversion project |               | 1,435,725.54  |
| Sichuan Zhongke Better Technology Co., Ltd.                         | Purchase of equipment   |               | 599,300.00    |
| Sichuan Putian Times Technology Co., Ltd.                           | Purchase of equipment   |               | 45,791.46     |
| Yibin Push Assets Management Co., Ltd.                              | Procurement of equipment  | 255,770.63    |               |
| Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                   | Selling of equipment  | 2,767.20      |               |

Note 1: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Trademark and Logo Licensing Agreement, which specifies that: Wuliangye Group licenses to the Company the nonexclusive right of use of 1 factory emblem, the nonexclusive right of use of 8 trademarks, exclusive right of use of 130 trademarks, and unpaid exclusive right of use of 4 trademarks. The royalty shall be paid by the following means: ① The royalty of “factory emblem” shall be paid at 1.27% of the annual sales revenue from all liquor products using the “factory emblem”; ② No royalty shall be paid for trademark of liquor products of which the annual sales revenue is less than 50 tons, and royalty of trademark of liquor products sold by 50 tons (inclusive) or more shall be calculated by the total sales volume. Royalties of trademark shall be paid by the following means: Trademark royalty of products with selling price at RMB 30,000 per ton and above shall be RMB 1,500 per ton; and that of products with selling price at RMB 12,000 per ton and above but below RMB 30,000 per ton shall be RMB 1,400 per ton; that of products with selling price below RMB 12,000 shall be RMB 1,300 per ton. The Agreement is valid from January 1, 2018 to December 31, 2020.

Note 2: On January 1, 2018, the Company and Sichuan Yibin Wuliangye Group Co., Ltd. entered into the Comprehensive Service Agreement, according to which the latter shall provide the agreed service to the Company by the quantity agreed by both parties from time to time. Both parties measure the services at the actual cost, and the rate of increase of the unit cost price compared with the previous year shall be no more than the inflation index of previous year plus 5% or the growth factor of consumer price index of Sichuan Province, whichever is lower. The increase shall not be subject to the above limit when the service scope is expanded, and the service shall still be measured at the actual cost of provision of the service. The Agreement is valid from January 1, 2018 to December 31, 2020.

② Association relationship with Sichuan Yibin Wuliangye Group Finance Co., Ltd.

The Company signed the Financial Service Agreement and the Supplemental Agreement to the Financial Service Agreement with the Finance Company on April 12, 2018 and March 20, 2019, respectively. The main contents are loan and deposit services. Daily balance of deposits of the Company with the Finance Company in 2019 was no more than RMB 32.9 billion, and the daily balance of loan in 2019 was no more than RMB 2.5 billion.

The total deposits of the Company with the Finance Company was RMB 32,405,107,434.58 at the end of the period; Sichuan Yibin Wuliangye Group Co., Ltd. issued the Commitment Letter to the Company, assuring that relevant deposits and loans of the Company with the Finance Company are safe; the current interest revenue is RMB 568,837,207.18 in total.

## 6. Receivables from and payables to related parties

### (1) Receivables

Unit: RMB

| Project name        | Related parties  | Ending balance |                    | Beginning balance |                    |
|---------------------|--|----------------|--------------------|-------------------|--------------------|
|                     |  | Book balance   | Bad debt provision | Book balance      | Bad debt provision |
| Accounts receivable | Sichuan Putian Times Technology Co., Ltd.                                | 31,324,539.34  |                    | 46,140,333.20     |                    |
| Accounts receivable | Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | 9,512,479.81   |                    |                   |                    |
| Accounts receivable | Chengdu PUTH Medical Plastics Packaging Co., Ltd.                        | 8,420,650.88   |                    |                   |                    |
| Accounts receivable | Chengdu Huayu Glass Manufacturing Co., Ltd.                              | 3,779,810.70   |                    | 4,479,320.27      |                    |
| Accounts receivable | Push Information & Automation (Chengdu) Co., Ltd.                        | 709,868.22     |                    |                   |                    |
| Accounts receivable | Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | 507,527.52     |                    |                   |                    |
| Accounts receivable | Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.                      | 319,302.00     |                    | 301,709.76        |                    |
| Accounts receivable | Sichuan Yibin Push Group 3D Co., Ltd.                                    |                |                    | 430,645.02        |                    |
| Accounts receivable | Chengdu Puchuan Biomaterials Corporation                                 |                |                    | 304,200.00        |                    |
| Prepayment          | Sacred Mountain Molin Group Co., Ltd., Sichuan                           | 8,283,185.84   |                    |                   |                    |
| Prepayment          | Sichuan Anji Logistic Group Co., Ltd.                                    | 997,853.00     |                    | 827,429.00        |                    |
| Prepayment          | Sichuan Yibin Push Drive Co., Ltd.                                       | 1,884,151.79   |                    |                   |                    |
| Prepayment          | Sichuan Yibin Push Intelligent Technology Co., Ltd.                      | 314,700.00     |                    | 923,000.00        |                    |
| Prepayment          | Yibin Ansage Auto Service Co., Ltd.                                      | 9,300.18       |                    | 41,124.46         |                    |
| Prepayment          | Yibin Wuliangye Group I&E Co., Ltd.                                      |                |                    | 1,228,373.04      |                    |
| Prepayment          | Chengdu Ningjiang Machine Tool Sales Co., Ltd.                           |                |                    | 405,000.00        |                    |
| Prepayment          | Push Information & Automation (Chengdu) Co., Ltd.                        |                |                    | 275,292.00        |                    |
| Prepayment          | Sichuan Ansage Supply Chain Management Co., Ltd.                         |                |                    | 16,597.48         |                    |
| Interest receivable | Sichuan Yibin Wuliangye Group Finance Co., Ltd.                          | 531,981,058.33 |                    | 236,778,826.86    |                    |
| Other receivables   | Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.                      | 480,000.00     |                    | 100,000.00        |                    |
| Other receivables   | Sichuan Anji Logistic Group Co., Ltd.                                    | 450,000.00     |                    | 450,000.00        |                    |
| Other receivables   | Sichuan Putian Times Technology Co., Ltd.                                | 250,000.00     |                    | 250,000.00        |                    |
| Other receivables   | Chengdu Huayu Glass Manufacturing Co., Ltd.                              | 200,000.00     |                    |                   |                    |
| Other receivables   | Yibin Wuliangye Ecological Brewing Co., Ltd.                             | 122,727.27     |                    | 122,727.27        |                    |
| Other receivables   | Sacred Garments & Home-Tex Co.,Ltd. Yibin, Sichuan                       | 70,000.00      |                    | 20,000.00         |                    |
| Other receivables   | Sichuan Linhu Tea Co., Ltd.  | 50,000.00      |                    |                   |                    |
| Other receivables   | Sichuan Yibin Push Drive Co., Ltd.                                       | 7,016.11       |                    |                   |                    |
| Other receivables   | Oriental Outlook Media Co., Ltd.   |                |                    | 1,000,000.00      |                    |
| Other receivables   | Sichuan Push Acetati Company Limited                                     |                |                    | 141,169.23        |                    |

### (2) Payables

Unit: RMB

| Project name                 | Related parties  | Ending book balance | Beginning book balance |
|------------------------------|--|---------------------|------------------------|
| Accounts payable             | Sichuan Yibin Push Group 3D Co., Ltd.                                    | 14,475,469.14       | 9,317,707.27           |
| Accounts payable             | Sichuan Yibin Wuliangye Group Co., Ltd.                                  | 7,634,607.30        |                        |
| Accounts payable             | Chengdu PUTH Medical Plastics Packaging Co., Ltd.                        | 1,170,859.61        | 310,243.95             |
| Accounts payable             | Sichuan Ansage Supply Chain Management Co., Ltd.                         | 334,704.03          |                        |
| Accounts payable             | Sichuan Anji Logistic Group Co., Ltd.                                    | 292,692.00          | 995,909.05             |
| Accounts payable             | Sichuan Yibin Push Intelligent Technology Co., Ltd.                      | 235,712.98          | 1,048,057.39           |
| Accounts payable             | Sichuan Andaxin Logistic Co., Ltd.                                       | 182,250.00          | 182,250.00             |
| Accounts payable             | Chengdu Ningjiang Machine Tool Sales Co., Ltd.                           | 180,000.00          |                        |
| Accounts payable             | Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.                    | 414,303.16          | 772,781.44             |
| Accounts payable             | Sichuan Putian Times Technology Co., Ltd.                                | 111,293.30          | 288,124.24             |
| Accounts payable             | Push Information & Automation (Chengdu) Co., Ltd.                        | 55,058.40           |                        |
| Accounts payable             | Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                        | 30,066.98           | 9,620,450.94           |
| Accounts payable             | Sichuan Yibin Push Mold Co., Ltd.  |                     | 2,023,240.73           |
| Accounts payable             | Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.      |                     | 1,003,423.68           |
| Accounts payable             | Sichuan Yibin Push Drive Co., Ltd.                                       |                     | 914,307.08             |
| Accounts payable             | Yibin Ansage International Logistic Co., Ltd.                            |                     | 708,082.72             |
| Accounts payable             | Yibin Global Energy Conservation Service Co., Ltd.                       |                     | 440,382.34             |
| Accounts received in advance | Sichuan Yibin Push Building Materials Co., Ltd.                          | 4,942,728.12        | 768,890.93             |
| Accounts received in advance | Yibin Wuliangye Ecological Brewing Co., Ltd.                             | 736,363.64          |                        |
| Accounts received in advance | Yibin State-Owned Assets Operation Co., Ltd.                             | 439,000.00          | 439,000.00             |
| Accounts received in advance | Sichuan Linhu Tea Co., Ltd.  | 375,600.00          |                        |
| Accounts received in advance | Wuming Tea Industry Holding Co., Ltd.                                    | 267,600.00          |                        |
| Accounts received in advance | Yibin Anji Logistic Group Shenzhou Transportation Co., Ltd.              | 208,248.14          | 208,248.14             |
| Accounts received in advance | Sichuan Yibin Push Group 3D Co., Ltd.                                    | 96,012.00           | 91,245.60              |
| Accounts received in advance | Yibin Wuliangye Group I&E Co., Ltd.                                      | 83,711.24           | 39,723.28              |
| Accounts received in advance | Sichuan Putian Times Technology Co., Ltd.                                | 82,640.00           | 63,000.00              |
| Accounts received in advance | Sichuan Yibin Wuliangye Group Ecological Brewery and Marketing Co., Ltd. | 66,440.00           |                        |

|                              |  |                |               |
|------------------------------|--|----------------|---------------|
| Accounts received in advance | Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                    | 6,000.00       |               |
| Accounts received in advance | Chengdu Wu Liang Ye Grand Hotel Co., Ltd.                            |                | 2,773,800.00  |
| Accounts received in advance | Chengdu PUTH Medical Plastics Packaging Co., Ltd.                    |                | 1,423,092.79  |
| Accounts received in advance | Sacred Garments & Home-Tex Co.,Ltd. Yibin, Sichuan                   |                | 1,286,036.78  |
| Accounts received in advance | Sichuan Yibin Wuliangye Group Health Wine Co., Ltd.                  |                | 111,930.00    |
| Notes payable                | Wuming Tea Industry Holding Co., Ltd.                                | 320,000.00     |               |
| Notes payable                | Sichuan Ansage Supply Chain Management Co., Ltd.                     | 280,000.00     | 3,000,000.00  |
| Notes payable                | Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                    |                | 7,602,788.13  |
| Notes payable                | Sichuan Yibin Licai Group Co., Ltd.                                  |                | 4,639,778.95  |
| Notes payable                | Sichuan Putian Times Technology Co., Ltd.                            |                | 273,907.12    |
| Other payables               | Sichuan Yibin Wuliangye Group Co., Ltd.                              | 136,248,128.58 | 13,348,251.69 |
| Other payables               | Sichuan Yibin Push Intelligent Technology Co., Ltd.                  | 2,920,492.15   | 2,147,079.35  |
| Other payables               | Sichuan Putian Times Technology Co., Ltd.                            | 1,976,478.00   | 477,063.00    |
| Other payables               | Sichuan Anji Logistic Group Co., Ltd.                                | 673,087.45     | 644,597.45    |
| Other payables               | Yibin Push Linko Technology Co., Ltd.                                | 528,426.44     | 301,348.00    |
| Other payables               | Chengdu PUTH Medical Plastics Packaging Co., Ltd.                    | 357,761.64     | 290,000.00    |
| Other payables               | Sichuan Yibin Wuliangye Group Anji Logistic Co., Ltd.                | 137,790.43     |               |
| Other payables               | Yibin Global Photoelectric Energy Conservation Technology Co., Ltd.  | 110,569.94     | 223,885.30    |
| Other payables               | Sichuan Chengdu Push Electromechanical Technology Research Co., Ltd. | 70,000.00      |               |
| Other payables               | Sichuan Yibin Global Group Tianwo Trade Co., Ltd.                    | 70,000.00      |               |
| Other payables               | Sichuan Yibin Push Building Materials Co., Ltd.                      | 55,000.00      | 55,000.00     |
| Other payables               | Yibin State-Owned Assets Operation Co., Ltd.                         | 50,000.00      | 50,000.00     |
| Other payables               | Sichuan Linhu Tea Co., Ltd.  | 50,000.00      |               |
| Other payables               | Yibin Ansage International Logistic Co., Ltd.                        | 36,586.85      | 36,586.85     |
| Other payables               | Yibin Ansage Auto Service Co., Ltd.                                  | 25,000.00      | 5,000.00      |
| Other payables               | Sacred Mountain Molin Group Co., Ltd., Sichuan                       | 16,610.00      |               |
| Other payables               | Chengdu Sacred Mountain Clothing Company                             | 13,421.80      |               |
| Other payables               | Chengdu Ningjiang Machine Tool Sales Co., Ltd.                       | 10,000.00      | 80,000.00     |
| Other payables               | Yibin Shengdi Trade Co. Ltd.   | 5,000.00       | 5,000.00      |
| Other payables               | Sacred Garments & Home-Tex Co.,Ltd. Yibin, Sichuan                   | 3,000.00       | 3,000.00      |
| Other payables               | Sichuan Ansage Supply Chain Management Co., Ltd.                     | 2,036.28       | 50,000.00     |
| Other payables               | Yibin Global Energy Conservation Service Co., Ltd.                   |                | 740,000.00    |
| Other payables               | Chengdu Wu Liang Ye Grand Hotel Co., Ltd.                            |                | 10,000.00     |

## XI. Commitments and contingencies

### 1. Significant commitments

The Company had no significant commitments which need to be disclosed during the reporting period.

### 2. Contingencies

The Company had no significant contingencies which need to be disclosed during the reporting period.

## XII. Post-balance sheet events

### 1. Important non-adjustment matters

The Company had no important non-adjustment matters which need to be disclosed.

### 2. Profit distribution

As resolved by the 73rd meeting of the 5th board of directors of the Company held on April 24, 2020, the profit distribution plan of 2019 is: RMB 22 (tax inclusive) in cash will be distributed for every 10 shares, and no capital reserve will be transferred to capital stock. This plan shall be subject to the approval of the general meeting.

### 3. Note on other post-balance sheet events

The Company has no other post-balance sheet events which need to be disclosed.

## XIII. Other significant matters

### 1. Pension plan

The Company obtained the reply of the State-owned Assets Supervision and Administration Commission of Yibin Municipal Government on the Plan of Establishing the Corporate Pension Plan of the Company (YGZW [2018] No.221) on September 14, 2018, and had filed with the Department of Human Resources and Social Security of Sichuan Province on October 30, 2018.

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

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

### 2. Segment information

The Company has no other businesses than liquor products which have significant impact on the business performance. The Company has no segment information that needs to be disclosed since revenue of the Company is mainly generated within China and the assets are also located within China.

## XIV. Notes to important items of parent company's financial statements

### 1. Other receivables

Unit: RMB

| Item                 | Ending balance   | Beginning balance |
|----------------------|------------------|-------------------|
| Interest receivable  | 570,078,014.35   | 383,190,672.91    |
| Dividends receivable | 654,791,389.27   | 342,607,430.63    |
| Other receivables    | 8,901,837,449.41 | 11,409,337,577.74 |



|       |                   |                   |
|-------|-------------------|-------------------|
| Total | 10,126,706,853.03 | 12,135,135,681.28 |
|-------|-------------------|-------------------|

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

Unit: RMB

| Item                           | Ending balance | Beginning balance |
|--------------------------------|----------------|-------------------|
| Interest of fixed term deposit | 570,078,014.35 | 383,190,672.91    |
| Total                          | 570,078,014.35 | 383,190,672.91    |

**2) Provision for bad debt** Applicable  Not applicable**(2) Dividends receivable****1) Classification of dividends receivable**

Unit: RMB

| Item (or invested company)             | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Dividends receivable from subsidiaries | 654,791,389.27 | 342,607,430.63    |
| Total                                  | 654,791,389.27 | 342,607,430.63    |

**2) Provision for bad debt** Applicable  Not applicable**(3) Other receivables****1) Other receivables classified by nature**

Unit: RMB

| Nature of receivable                      | Ending book balance | Beginning book balance |
|---|---------------------|------------------------|
| Current account                           | 8,892,421,547.89    | 11,403,421,695.31      |
| Deposit                                   | 10,000,000.00       | 5,000,000.00           |
| Reserve fund                              | 76,201.29           | 70,009.94              |
| Loans to Oriental Outlook Media Co., Ltd. |                     | 1,000,000.00           |
| Total                                     | 8,902,497,749.18    | 11,409,491,705.25      |

**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 January 1, 2019                   | 154,127.51                                       |   |   | 154,127.51 |
| Balance on January 1, 2019 in current period | --   | --  | --  | --         |
| Provisions in current period                 | 506,172.26                                       |   |   | 506,172.26 |
| Balance on December 31, 2019                 | 660,299.77                                       |   |   | 660,299.77 |

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

 Applicable  Not applicable

Disclosure by aging

Unit: RMB

| Aging                     | Book balance     |
|---------------------------|------------------|
| Within 1 year (inclusive) | 7,079,954,765.07 |

|                   |                  |
|-------------------|------------------|
| 1 to 2 years      | 126,607,645.67   |
| 2 to 3 years      | 104,064,080.50   |
| More than 3 years | 1,591,871,257.94 |
| 3 to 4 years      | 97,947,190.67    |
| 4 to 5 years      | 101,990,963.67   |
| More than 5 years | 1,391,933,103.60 |
| Total             | 8,902,497,749.18 |

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

Unit: RMB

| Category   | Beginning balance | Amount of change in current year |                      |           |        | Ending balance |
|--|-------------------|----------------------------------|----------------------|-----------|--------|----------------|
|  |                   | Provisions                       | Recovery or reversal | Write-off | Others |                |
| Other receivables with bad debt provision by single item             |                   |                                  |                      |           |        |                |
| Other receivables with bad debt provision by credit risk combination | 154,127.51        | 506,172.26                       |                      |           |        | 660,299.77     |
| Total  | 154,127.51        | 506,172.26                       |                      |           |        | 660,299.77     |

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

The parent company had no other receivables actually written off in current period.

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

Unit: RMB

| Unit name  | Nature of receivables | Ending balance   | Aging                        | Proportion in total ending balance of other receivables | Bad debt provision Ending balance |
|--|-----------------------|------------------|------------------------------|---|-----------------------------------|
| Sichuan Yibin Wuliangye Winery Co., Ltd.                   | Current account       | 6,954,534,667.27 | Within 1 year                | 78.12%  |                                   |
| Yibin Jiangju Liquor Co., Ltd.                             | Current account       | 1,540,284,708.85 | 1-5 years; More than 5 years | 17.30%  |                                   |
| Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. | Current account       | 212,489,316.81   | 2-3 years; More than 5 years | 2.39%   |                                   |
| Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.        | Current account       | 129,206,278.05   | 4-5 years; More than 5 years | 1.45%   |                                   |
| Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.  | Current account       | 25,320,627.98    | More than 5 years            | 0.28%   |                                   |
| Total  | --                    | 8,861,835,598.96 | --                           | 99.54%  |                                   |

## 2. Long-term equity investment

Unit: RMB

| Item  | Ending balance    |                          |                   | Beginning balance |                          |                   |
|---|-------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
|   | Book balance      | Provision for impairment | Book value        | Book balance      | Provision for impairment | Book value        |
| Investment in subsidiaries                  | 9,597,846,998.20  |                          | 9,597,846,998.20  | 9,597,846,998.20  |                          | 9,597,846,998.20  |
| Investment in associates and joint-ventures | 1,011,936,626.41  |                          | 1,011,936,626.41  | 919,477,978.54    |                          | 919,477,978.54    |
| Total                                       | 10,609,783,624.61 |                          | 10,609,783,624.61 | 10,517,324,976.74 |                          | 10,517,324,976.74 |

### (1) Investment in subsidiaries

Unit: RMB

| Invested company | Beginning balance (book value) | Increase/decrease in the current period | Ending balance (book value) | Ending balance of |
|------------------|--------------------------------|---|-----------------------------|-------------------|
|                  |                                |   |                             |                   |

|  |                         | Increase Investment | Decrease Investment | Accrual of impairment provision | Others |                         | provision for impairment |
|--|-------------------------|---------------------|---------------------|---------------------------------|--------|-------------------------|--------------------------|
| Sichuan Yibin Wuliangye Winery Co., Ltd.                   | 3,375,729,567.45        |                     |                     |                                 |        | 3,375,729,567.45        |                          |
| Yibin Wuliangye Liquor Sales Co., Ltd.                     | 190,000,000.00          |                     |                     |                                 |        | 190,000,000.00          |                          |
| Sichuan Yibin Wuliangye Supply and Marketing Co., Ltd.     | 765,756,006.41          |                     |                     |                                 |        | 765,756,006.41          |                          |
| Yibin Jiangjiu Liquor Co., Ltd.                            | 50,000,000.00           |                     |                     |                                 |        | 50,000,000.00           |                          |
| Sichuan Yibin Wuliangye Environmental Protection Co., Ltd. | 18,870,000.00           |                     |                     |                                 |        | 18,870,000.00           |                          |
| Yibin Changjiangyuan Liquor Co., Ltd.                      | 20,000,000.00           |                     |                     |                                 |        | 20,000,000.00           |                          |
| Yibin Wuliangye Xianlin Ecological Liquor Co., Ltd.        | 2,700,000.00            |                     |                     |                                 |        | 2,700,000.00            |                          |
| Sichuan Yibin Wuliangye Jingmei Printing Co., Ltd.         | 49,374,409.93           |                     |                     |                                 |        | 49,374,409.93           |                          |
| Sichuan Yibin Plastic Packaging Materials Company Limited  | 3,443,149,609.25        |                     |                     |                                 |        | 3,443,149,609.25        |                          |
| Sichuan Yibin Global Group Shenzhou Glass Co., Ltd.        | 108,922,175.18          |                     |                     |                                 |        | 108,922,175.18          |                          |
| Sichuan Yibin Global Gelasi Glass Manufacturing Co., Ltd.  | 307,282,551.14          |                     |                     |                                 |        | 307,282,551.14          |                          |
| Sichuan Yibin Push Group 3D Co., Ltd.                      | 240,419,229.32          |                     |                     |                                 |        | 240,419,229.32          |                          |
| Sichuan Yibin Wuliangye Investment (Consulting) Co., Ltd.  | 47,500,000.00           |                     |                     |                                 |        | 47,500,000.00           |                          |
| Yibin Zhenwushan Liquor Co., Ltd.                          | 20,000,000.00           |                     |                     |                                 |        | 20,000,000.00           |                          |
| Yibin Shiji Liquor Co., Ltd.                               | 20,000,000.00           |                     |                     |                                 |        | 20,000,000.00           |                          |
| Yibin Cuipingshan Liquor Co., Ltd.                         | 20,000,000.00           |                     |                     |                                 |        | 20,000,000.00           |                          |
| Wuliangye Dashijie (Beijing) Trade Co., Ltd.               | 323,000,000.00          |                     |                     |                                 |        | 323,000,000.00          |                          |
| Handan Yongbufenli Liquor Co., Ltd.                        | 255,000,000.00          |                     |                     |                                 |        | 255,000,000.00          |                          |
| Huaibin Wubin Consultation Service Co., Ltd.               | 199,675,708.13          |                     |                     |                                 |        | 199,675,708.13          |                          |
| Wuguchun Jiu Ye Co., Henan. China                          | 55,467,741.39           |                     |                     |                                 |        | 55,467,741.39           |                          |
| Sichuan Wuliangye Culture Tourism Development Co., LTD     | 40,000,000.00           |                     |                     |                                 |        | 40,000,000.00           |                          |
| Yibin Wuliangye Creart Co., Ltd.                           | 45,000,000.00           |                     |                     |                                 |        | 45,000,000.00           |                          |
| <b>Total</b>   | <b>9,597,846,998.20</b> |                     |                     |                                 |        | <b>9,597,846,998.20</b> |                          |

**(2) Investment in associates and joint-ventures**

Unit: RMB

| Investor  | Beginning balance<br>(Book value) | Increase/decrease in the current period |                       |   |  |                                 |   |                                       |        | Ending balance<br>(Book value) | Ending<br>balance of<br>provision for<br>impairment |
|---|-----------------------------------|---|-----------------------|---|--|---------------------------------|---|---------------------------------------|--------|--------------------------------|---|
|   |                                   | Additional<br>investment                | Reduced<br>investment | Profit and loss on<br>investments<br>recognized with<br>equity method | Adjustment<br>of other<br>comprehen<br>sive income | Changes<br>in other<br>equities | Declaration<br>of cash<br>dividends<br>or profits | Accrual of<br>impairment<br>provision | Others |                                |   |
| I. Joint ventures                               |                                   |   |                       |   |  |                                 |   |                                       |        |                                |   |
| II. Associates                                  |                                   |   |                       |   |  |                                 |   |                                       |        |                                |   |
| Oriental Outlook Media Co., Ltd.                | 13,742,029.36                     |   |                       | 3,336,110.30  |  |                                 |   |                                       |        | 17,078,139.66                  |   |
| Sichuan Yibin Wuliangye Group Finance Co., Ltd. | 905,735,949.18                    |   |                       | 89,122,537.57   |  |                                 |   |                                       |        | 994,858,486.75                 |   |
| Sub-total                                       | 919,477,978.54                    |   |                       | 92,458,647.87   |  |                                 |   |                                       |        | 1,011,936,626.41               |   |
| Total   | 919,477,978.54                    |   |                       | 92,458,647.87   |  |                                 |   |                                       |        | 1,011,936,626.41               |   |

**3. Operating revenue and operating cost**

Unit: RMB

| Item             | Amount in current period |      | Amount in previous period |      |
|------------------|--------------------------|------|---------------------------|------|
|                  | Revenue                  | Cost | Revenue                   | Cost |
| Other businesses | 557,807.81               |      | 1,197,774.65              |      |
| Total            | 557,807.81               |      | 1,197,774.65              |      |

Whether new revenue standards have been implemented

 Yes  No**4. Investment income**

Unit: RMB

| Item  | Amount in current period | Amount in previous period |
|---|--------------------------|---------------------------|
| Long-term equity investment income accounted by cost method   | 11,886,940,965.04        | 8,495,720,769.88          |
| Long-term equity investment income accounted by equity method | 92,458,647.87            | 100,740,183.08            |
| Total   | 11,979,399,612.91        | 8,596,460,952.96          |

**XV. Supplementary information****1. Statement of current non-recurring profit and loss** Applicable  Not applicable

Unit: RMB

| Item  | Amount          | Note |
|---|-----------------|------|
| Gain or loss on disposal of non-current assets  | -1,571,612.06   |      |
| Governmental subsidy recorded in current profit/loss (except those government subsidies, which are closely related to the business of a company and enjoyed in accordance with a certain standard quota or quantity of the state) | 129,760,347.41  |      |
| Fund occupation fee collected from non-financial enterprises and recorded in current profit/loss  | 15,503,633.45   |      |
| Other non-operating revenue and expenditure except for the aforementioned items   | -135,436,782.11 |      |
| Less: Impact on income tax  | -4,831,273.10   |      |
| Impact on minority equity   | 16,853,457.08   |      |
| Total   | -3,766,597.29   | --   |

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

Applicable  Not applicable

## 2. Net return on equity and earnings per share

| Profit of the reporting period  | Weighted average return on equity | Earnings per share                   |  |
|---|-----------------------------------|--------------------------------------|--|
|   |                                   | Basic earnings per share (RMB/share) | Diluted earnings per share (RMB/share) |
| Net profit attributable to ordinary shareholders of the Company   | 25.26%                            | 4.483                                | 4.483                                  |
| Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss | 25.27%                            | 4.484                                | 4.484                                  |

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

### (1) Difference of the net profit and net assets disclosed in the financial report, under both International Accounting Standards and Chinese Accounting Standards

Applicable  Not applicable

### (2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting standards and Chinese Accounting Standards

Applicable  Not applicable

## **Section XIII Reference File Directory**

**Relevant departments of the Company have prepared the following documents for shareholders' reference:**

- I. Financial Statements containing signatures of the legal representative, the person in charge of the accounting work, and the person in charge of the accounting institution with seals.
- II. Original Audit Report stamped by the accounting firm and signed and stamped by the CPAs.
- III. Original copies of the documents and announcement of the Company published on China Securities Journal, Shanghai Securities News, and Securities Times during the reporting period.
- IV. Annual Report of the Company.

**Wuliangye Yibin Co., Ltd.  
April 28, 2020**