

Stock Code: 000568 Stock abbreviation: Luzhou Laojiao Announcement No. 2023-12

Luzhou Laojiao Co., Ltd.

Q1 2023 Report

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

Important Statements:

1. The Board of Directors, Board of Supervisors, directors, supervisors and senior management guarantee that the information presented in this report is free of any false records, misleading statements or material omissions, and shall individually and together be legally liable for truthfulness, accuracy and completeness of its contents.
2. The responsible person for the Company, the responsible person for accounting work and the responsible person for the Company’s financial affairs (Accounting Supervisor) have warranted that the financial statements in this report are true, accurate and complete.
3. Whether the financial statements of this report have been audited by an auditor

Yes No

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

1. Key financial information

1.1 Key accounting data and financial indicators

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

Yes No

	Q1 2023	Q1 2022	YoY change (%)
Operating revenues (CNY)	7,610,153,819.27	6,311,964,675.84	20.57%
Net profits attributable to shareholders of the Company (CNY)	3,712,618,630.92	2,875,658,916.19	29.10%
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	3,688,940,523.35	2,864,799,362.69	28.77%
Net cash flows from operating activities (CNY)	1,508,783,232.53	1,131,497,885.76	33.34%
Basic earnings per share (CNY/share)	2.53	1.96	29.08%
Diluted earnings per share (CNY/share)	2.53	1.96	29.08%
Weighted average ROE	10.30%	9.76%	0.54%
	31 March 2023	31 December 2022	Change (%)
Total assets (CNY)	58,341,416,403.54	51,385,481,354.52	13.54%
Net assets attributable to shareholders of the Company (CNY)	37,914,710,048.73	34,207,871,130.03	10.84%

1.2 Non-recurring gains and losses

Applicable N/A

Unit: CNY

Item	Q1 2023	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	623,989.76	
Government grants accounted for, in the profit or loss for the current period (except for the government grants closely related to the business of the Company and continually given at a fixed amount or quantity in accordance with the national policies and standards)	4,717,960.76	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	21,371,683.03	
Other non-operating income and expenditure except above-mentioned items	4,854,021.41	
Less: Corporate income tax	7,864,870.77	
Minority interests (after tax)	24,676.62	

Total	23,678,107.57
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Other items that meet the definition of non-recurring gain/loss:

Applicable N/A

No such cases for the reporting period.

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

Applicable N/A

No such cases for the reporting period.

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

Applicable N/A

A. The closing balance of cash and cash equivalents increased by CNY 7,146,868,567.96 compared to the opening balance, indicating an increase of 40.25%. It was mainly due to the receipt of bank loan in the current period.

B. The closing balance of contract liabilities decreased by CNY 840,608,958.64 compared to the opening balance, indicating a decrease of 32.75%; and the closing balance of other current liabilities decreased by CNY 109,277,676.67 compared to the opening balance, indicating a decrease of 32.75%. It was mainly due to the decreased advances from customers in the current period.

C. The closing balance of employee benefits payable decreased by CNY 272,572,974.36 compared to the opening balance, indicating a decrease of 40.38%. It was mainly due to the settlement in the current period of performance-based pay for last year.

D. The closing balance of taxes payable decreased by CNY 1,326,588,888.94 compared to the opening balance, indicating a decrease of 38.11%. It was mainly due to the payment in the current period of taxes payable as at the end of last year.

E. The closing balance of long-term loans increased by CNY 5,835,800,000.00 compared to the opening balance, indicating an increase of 183.54%. It was mainly due to the receipt of bank loan in the current period.

F. The closing balance of other comprehensive income decreased by CNY 112,841,779.49 compared to the opening balance, indicating a decrease of 34.12%. It was mainly due to the decreased fair value of equity investments.

G. Taxes and surcharges in the current period increased by CNY 276,332,079.82 compared to the same period of last year, indicating an increase of 42.01%. It was mainly due to the increased consumption tax in the current period.

H. Financial expenses in the current period increased by CNY 16,445,894.62 compared to the same period of last year. It was mainly due to the increased interest expenses in the current period.

I. Investment income in the current period increased by CNY 63,541,925.41 compared to the same period of last year. It was mainly due to the increased earnings of investee Huaxi Securities in the current period.

J. Net cash flows from operating activities in the current period increased by CNY 377,285,346.77 compared to the same period of last year, indicating an increase of 33.34%. It was mainly due to the increased cash received from sale of goods in the current period.

K. Net cash flows from investing activities in the current period increased by CNY 285,934,094.78 compared to the same period of last year. It was mainly due to the purchase of wealth management product (collective asset management plan) from securities firm in the prior period.

L. Net cash flows from financing activities in the current period increased by CNY 5,170,529,701.77 compared to the same period of last year, indicating an increase of 888.40%. It was mainly due to the receipt of bank loan in the current period.

2. Shareholder information

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

Unit: Share

Total number of common shareholders at the end of the reporting period		86,898	Total number of preference shareholders with resumed voting rights at the end of the reporting period (if any)		0	
Shareholdings of the top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Number of holding restricted shares	Pledged, marked or frozen shares	
					Status of shares	Number of shares
Luzhou Laojiao Group Co., Ltd.	State-owned corporation	25.89%	381,088,389.00	0.00		
Luzhou XingLu Investment Group Co., Ltd.	State-owned corporation	24.86%	365,971,142.00	0.00		
Hong Kong Securities Clearing Company Limited	Outbound corporation	3.96%	58,248,960.00	0.00		
China Securities Finance Corporation Limited	Domestic non-state-owned corporation	2.30%	33,842,059.00	0.00		
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants	Other	2.24%	32,962,917.00	0.00		

Fund						
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	Other	1.49%	21,900,000.00	0.00		
Industrial and Commercial Bank of China Co., Ltd.- Newly growth hybrid securities investment fund by Invesco Great Wall	Other	1.02%	14,974,300.00	0.00		
Central Huijin Asset Management Co., Ltd.	State-owned corporation	0.92%	13,539,862.00	0.00		
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	Other	0.72%	10,573,293.00	0.00		
China Life Insurance Company Limited- Tradition-common insurance product-005L – CT001 Hu	Other	0.61%	8,937,012.00	0.00		
Shareholdings of the top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number			
Luzhou Laojiao Group Co., Ltd.	381,088,389.00	CNY common shares	381,088,389.00			
Luzhou XingLu Investment Group Co., Ltd.	365,971,142.00	CNY common shares	365,971,142.00			
Hong Kong Securities Clearing Company Limited	58,248,960.00	CNY common shares	58,248,960.00			
China Securities Finance Corporation Limited	33,842,059.00	CNY common shares	33,842,059.00			
Bank of China Co., Ltd. – Baijiu index classification securities investment fund by China Merchants Fund	32,962,917.00	CNY common shares	32,962,917.00			
Bank of China Co., Ltd. – Blue chip selected hybrid securities investment fund by E Fund	21,900,000.00	CNY common shares	21,900,000.00			
Industrial and Commercial Bank of China Co., Ltd.-Newly growth hybrid securities	14,974,300.00	CNY common shares	14,974,300.00			

investment fund by Invesco Great Wall			
Central Huijin Asset Management Co., Ltd.	13,539,862.00	CNY common shares	13,539,862.00
Agricultural Bank of China Co., Ltd. - Consumption industry stock - based securities investment fund by E Fund	10,573,293.00	CNY common shares	10,573,293.00
China Life Insurance Company Limited-Tradition-common insurance product-005L – CT001 Hu	8,937,012.00	CNY common shares	8,937,012.00
Related parties or acting-in-concert	<p>1. Luzhou Laojiao Group Co., Ltd. and Luzhou XingLu Investment Group Co., Ltd. are both holding state-owned companies under the jurisdiction of SASAC of Luzhou. The two companies signed the agreement of persons acting in concert on 31 December 2015. For details, please refer to the announcement of the Company on 5 January 2016 - <i>Announcement on the agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2016-1 (http://www.cninfo.com.cn/). The two companies signed the renewed agreement of persons acting in concert on 27 May 2021. For details, please refer to the announcement of the Company on 29 May 2021 - <i>Announcement on the renewed agreement of persons acting in concert signed by shareholders</i>. The announcement number is 2021-18 (http://www.cninfo.com.cn/).</p> <p>2. In addition, whether there is an association between the remaining shareholders or they belong to persons acting in concert is unknown.</p>		
Top 10 shareholders participating in securities margin trading (if any)	N/A		

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

Applicable N/A

3. Other significant events

Applicable N/A

On 29 December 2022, the *Proposal on the Grant of Reserved Restricted Shares to Awardees* was deliberated and approved at the 26th Meeting of the 10th Board of Directors and the 15th Meeting of the 10th Supervisory Committee, respectively. On 16 February 2023, the Company disclosed the *Announcement on the Completion of the Grant of Reserved Restricted Shares of the 2021 Restricted Share Incentive Plan*, Announcement No. 2023-3 (<http://www.cninfo.com.cn/>). Upon the registration of the grant of the reserved restricted shares, 92,669 restricted shares were granted to 17 awardees, the grant price was CNY 89.466 per share and the listing date was 17 February 2023. Upon completion of the grant registration, the total number of shares of the Company increased from 1,471,895,100 to 1,471,987,769.

4. Financial statements

4.1 Financial statements

4.1.1 Consolidated balance sheet

Prepared by: Luzhou Laojiao Co., Ltd.

31 March 2023

Unit: CNY

Item	31 March 2023	31 December 2022
Current assets:		
Cash and cash equivalents	24,904,396,779.21	17,757,528,211.25
Settlement reserves		
Lending funds		
Held-for-trading financial assets	994,733,129.68	1,073,466,780.37
Derivative financial assets		
Notes receivables		
Accounts receivables	9,285,469.39	5,939,420.78
Accounts receivables financing	4,296,561,115.37	4,583,352,503.37
Prepayment	149,186,102.82	114,257,506.26
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	24,716,827.85	23,396,533.98
Including : Interests receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	10,149,595,444.19	9,840,742,374.85
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	204,560,549.82	153,035,946.94
Total current assets	40,733,035,418.33	33,551,719,277.80
Non-current assets:		
Disbursement of loans and advances		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	2,720,053,188.10	2,667,500,553.17
Investments in other equity instruments	983,164,358.73	1,136,736,978.11
Other non-current financial assets		
Investment property	38,808,444.86	39,149,454.22
Fixed assets	8,717,953,946.28	8,856,258,598.78
Construction in progress	1,022,552,627.45	808,919,047.21
Productive biological assets		
Oil and gas assets		
Use right assets	33,806,143.19	39,952,525.63
Intangible assets	3,076,898,287.68	3,083,271,852.79
Development expenses		
Goodwill		
Long-term deferred expenses	491,790.36	710,010.92
Deferred tax assets	818,059,096.08	1,005,167,353.80
Other non-current assets	196,593,102.48	196,095,702.09

Total non-current assets	17,608,380,985.21	17,833,762,076.72
Total assets	58,341,416,403.54	51,385,481,354.52
Current liabilities:		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	2,260,191,342.13	2,311,665,585.04
Advance from customer		
Contract liabilities	1,725,765,760.12	2,566,374,718.76
Financial assets sold for repurchase		
Deposits from customers and inter-bank		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	402,461,910.95	675,034,885.31
Taxes payable	2,154,561,840.04	3,481,150,728.98
Other payable	1,271,331,621.49	1,202,409,278.49
Including : Interests payable		
Dividends payable	16,594,850.58	16,594,850.58
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	56,818,118.11	81,879,466.63
Other current liabilities	224,349,548.80	333,627,225.47
Total current liabilities	8,095,480,141.64	10,652,141,888.68
Non-current liabilities:		
Insurance contract reserves		
Long-term loans	9,015,400,000.00	3,179,600,000.00
Bonds payable	2,996,500,665.63	2,996,099,571.86
Including : Preference shares		
Perpetual bonds		
Lease liabilities	29,776,436.69	29,096,969.66
Long-term payables		
Long-term payroll payables		
Accrued liabilities		
Deferred income	31,771,468.81	33,704,323.80
Deferred tax liabilities	126,751,719.73	166,043,663.88
Other non-current liabilities		
Total non-current liabilities	12,200,200,290.86	6,404,544,529.20
Total liabilities	20,295,680,432.50	17,056,686,417.88
Owners' equity		
Share capital	1,471,987,769.00	1,471,895,100.00
Other equity instruments		
Including: preference shares		
Perpetual bonds		
Capital reserves	4,915,414,592.00	4,800,154,468.99
Less: treasury stock	647,312,723.52	639,021,998.78
Other comprehensive income	217,909,466.35	330,751,245.84
Special reserves		
Surplus reserves	1,471,895,100.00	1,471,895,100.00
General risk reserve		
Undistributed profits	30,484,815,844.90	26,772,197,213.98

Total equity attributable to owners of the parent company	37,914,710,048.73	34,207,871,130.03
Non-controlling interests	131,025,922.31	120,923,806.61
Total owners' equity	38,045,735,971.04	34,328,794,936.64
Total liabilities and owners' equity	58,341,416,403.54	51,385,481,354.52

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

4.1.2 Consolidated income statement

Unit: CNY

Item	Q1 2023	Q1 2022
1. Total operating revenue	7,610,153,819.27	6,311,964,675.84
Including: Operating revenue	7,610,153,819.27	6,311,964,675.84
Interest income		
Earned premium		
Fee and commission income		
2. Total operating costs	2,770,392,001.49	2,440,178,630.30
Including: Cost of sales	906,489,329.36	856,697,976.98
Interest expense		
Handling charges and commission expenses		
Refunded premiums		
Net payments for insurance claims		
Net provision for insurance contracts		
Bond insurance expense		
Reinsurance Expenses		
Taxes and surcharges	934,103,786.18	657,771,706.36
Selling and distribution expenses	691,058,449.80	672,903,939.97
General and administrative expenses	249,290,819.83	276,250,258.07
Research and Development expenses	25,482,226.00	29,033,253.22
Financial expenses	-36,032,609.68	-52,478,504.30
Including : Interest expenses	125,103,651.63	63,035,341.73
Interest income	163,408,426.49	116,728,885.54
Plus: Other income	6,947,563.04	6,022,044.85
Investment income ("-" for losses)	58,603,813.25	-4,938,112.16
Including: income from investment in associates and joint ventures	54,967,950.44	-8,515,206.47
Income from the derecognition of financial assets measured at amortized cost		
Foreign exchange gains ("-" for losses)		
Net gain on exposure hedges ("-" for losses)		
Gains from the changes in fair values("-" for losses)	20,126,830.02	4,970,975.01
Credit impairment losses ("-" for losses)	506,094.24	-1,286,540.82

Impairment losses("-" for losses)		
Gains from disposal of assets("-" for losses)	-623,989.76	0.00
3. Operating profits ("-" for losses)	4,925,322,128.57	3,876,554,412.42
Plus: non-operating income	5,024,545.38	3,945,467.83
Less: non-operating expenses	170,523.97	162,551.01
4. Total profits before tax ("-" for total losses)	4,930,176,149.98	3,880,337,329.24
Less: income tax expenses	1,208,293,895.10	989,104,638.68
5. Net profit ("-" for net loss)	3,721,882,254.88	2,891,232,690.56
5.1 By operating continuity		
5.1.1 Net profit from continuing operation ("-" for losses)	3,721,882,254.88	2,891,232,690.56
5.1.2 Net profit from discontinued operation ("-" for losses)		
5.2 By ownership		
1) Attributable to owners of the parent company	3,712,618,630.92	2,875,658,916.19
2) Attributable to non-controlling interests	9,263,623.96	15,573,774.37
6. Net of tax from other comprehensive income	-113,249,020.72	-48,933,737.96
Net of tax from other comprehensive income to the owner of the parent company	-112,841,779.49	-48,621,605.79
6.1 Other comprehensive income cannot reclassified into the profit and loss:		
1) Remeasure the variation of net indebtedness or net asset of defined benefit plans		
2) Share in other comprehensive income that cannot be classified into profit and loss under equity method		
3) Changes in fair value of investments in other equity instruments	-115,179,464.55	-36,114,491.38
4) Changes in fair value of the company's credit risks		
5) Other		
6.2 Other comprehensive income that will be reclassified into the profit and loss	2,337,685.06	-12,507,114.41
1) Share in other comprehensive income that will be classified into profit and loss under equity method	2,835,340.65	-12,125,620.38
2) Changes in fair value of investments in other debt obligations		
3) Other comprehensive income arising from the reclassification of financial assets		
4) Allowance for credit impairments in investments in other debt obligations		
5) Reserve for cash-flow hedge		
6) Balance arising from the translation of foreign currency financial statements	-497,655.59	-381,494.03
7) Others		
Net of tax from other comprehensive income to non-controlling interests	-407,241.23	-312,132.17
7. Total comprehensive income	3,608,633,234.16	2,842,298,952.60
Total comprehensive income attributable to owners of the parent	3,599,776,851.43	2,827,037,310.40

company		
Total comprehensive income attributable to non-controlling interests	8,856,382.73	15,261,642.20
8. Earnings per share		
(1) Basic earnings per share	2.53	1.96
(2) Diluted earnings per share	2.53	1.96

Legal representative: Liu Miao

Person in charge of accounting affairs: Xie Hong

Person in charge of accounting department: Yan Li

4.1.3 Consolidated statement of cash flows

Unit: CNY

Item	Q1 2023	Q1 2022
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	8,042,310,196.53	7,498,117,523.13
Net increase in customer bank deposits and placement from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received from original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commissions		
Net increase in placements from other financial institutions		
Net capital increase in repurchase business		
Net cash received from customer brokerage deposits		
Refunds of taxes and surcharges	268,904.22	2,419,962.72
Cash received from other operating activities	203,610,173.93	119,317,519.96
Subtotal of cash inflows from operating activities	8,246,189,274.68	7,619,855,005.81
Cash paid for goods purchased and services received	1,302,008,639.40	1,857,903,339.77
Net increase in loans and advances to customers		
Net increase in deposits in central bank and other banks and financial institutions		
Cash paid for original insurance contract claims		
Net increase in lending funds		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	528,119,794.54	503,609,888.56

Cash paid for taxes and surcharges	4,178,376,070.71	3,289,405,043.03
Cash paid for other operating activities	728,901,537.50	837,438,848.69
Subtotal of cash outflows from operating activities	6,737,406,042.15	6,488,357,120.05
Net cash flows from operating activities	1,508,783,232.53	1,131,497,885.76
2. Cash flows from investing activities		
Cash received from disposal of investments	100,105,333.72	204,789,775.66
Cash received from returns on investments	2,391,009.80	2,351,477.76
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		19,000.00
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	102,496,343.52	207,160,253.42
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	223,117,083.05	313,715,087.73
Cash paid for investments		300,000,000.00
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows from investing activities	223,117,083.05	613,715,087.73
Net cash flows from investing activities	-120,620,739.53	-406,554,834.31
3. Cash flows from financing activities		
Cash received from investors	8,290,725.74	636,232,466.00
Including: cash received by subsidiaries from investments by minority shareholders		
Cash received from borrowings	5,850,000,000.00	
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	5,858,290,725.74	636,232,466.00
Cash paid for debt repayments	10,000,000.00	
Cash paid for distribution of dividends and profits or payment of interest	95,688,541.67	52,502,625.00
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	65,040.00	1,722,398.70
Subtotal of cash outflows from financing activities	105,753,581.67	54,225,023.70
Net cash flows from financing activities	5,752,537,144.07	582,007,442.30
4. Effect of fluctuation in exchange rate on cash and cash equivalents	-3,053,249.05	-587,251.67
5. Net increase in cash and cash equivalents	7,137,646,388.02	1,306,363,242.08
Plus: balance of cash and cash equivalents at the beginning of the	17,729,006,591.87	13,402,528,941.83

period		
6. Balance of cash and cash equivalents at the end of the period	24,866,652,979.89	14,708,892,183.91

4.2 Auditor's report

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

Yes No

The said financial statements are unaudited by an auditor.

The Board of Directors of Luzhou Laojiao Co., Ltd.

29 April 2023