



洋河股份
YANGHE

Jiangsu Yanghe Distillery Co., Ltd.

2024 Annual Report

April 2025

Section I Important Statements, Contents and Definitions

The board of directors, board of supervisors, directors, supervisors and senior management of Jiangsu Yanghe Distillery Co., Ltd. (hereinafter referred to as the Company) hereby 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.

Mr. Zhang Liandong, the responsible person for the Company, Mr. Yin Qiuming, the responsible person for accounting affairs and Mr. Zhao Qike, the responsible person for accounting department (the accounting supervisor) have warranted that the financial statements in this report are true, accurate and complete. Except for the directors listed below, all other directors attended the board meeting in person to review this annual report.

Names of Directors Who Did Not Attend in Person	Positions of Directors Who Did Not Attend in Person	Reason for Not Attending the Meeting in Person	Name of Proxy
Nie Yao	Independent Director	Business Trip	Lu Guoping

The future plans and other forward-looking statements mentioned in this annual report, due to their inherent uncertainties, shall not be regarded as substantive commitments of the Company to investors. Investors and people concerned should maintain adequate risk awareness and understand the difference between plans, predictions and promises. Investors are kindly reminded to pay attention to possible investment risks.

In the annual report, the possible risks in the operation of the Company are described in detail (see 11. Outlook for the Future Development of the Company in Section III Management Discussion and Analysis). Investors are kindly reminded to pay attention to relevant content.

The profit distribution plan approved by the board of directors: based on 1,506,445,074 shares, a cash dividend of CNY 23.17 (tax inclusive) will be distributed for every 10 existing shares held, 0 shares of bonus shares (tax inclusive), and reserves would not be converted into share capital.

The Company's Chinese 2024 Annual Report was publicly disclosed on the Shenzhen Stock Exchange and www.cninfo.com.cn on 29 April 2025. If there are any differences between the English version and the Chinese one, please refer to the latter.

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Document Catalog

- (I) Financial statements containing the signatures and seals of the person in charge of the Company, the accounting head, and the person in charge of the accounting body (accounting manager).
- (II) The original audit reports with the seal of the accounting firm and the signatures and seals of the certified public accountants.
- (III) The originals of all Company documents and announcements publicly disclosed during the reporting period.

Definitions

Term	Reference	Definition
The Company, This Company, Yanghe	Refer to	Jiangsu Yanghe Distillery Co., Ltd.
Yanghe Group, Controlling shareholder	Refer to	Jiangsu Yanghe Group Co.,Ltd.
The current year, In the reporting period	Refer to	1 Jan. 2024 to 31 Dec. 2024
The report	Refer to	2024 Annual Report
Yuan, Ten thousand yuan, A hundred million yuan	Refer to	CNY 0.00, CNY 10,000.00, CNY 100,000,000.00
The shareholders' meeting, the board of directors, the board of supervisors	Refer to	The Shareholders' Meeting, Board of Directors, and Supervisory Board of Jiangsu Yanghe Distillery Co.
Articles of incorporation	Refer to	Articles of incorporation of Jiangsu Yanghe Distillery Co., Ltd.
SSE	Refer to	Shenzhen Stock Exchange
SRC, CSRC	Refer to	China Securities Regulatory Commission
SAC of Suqian, SASAC of Suqian	Refer to	State-owned Assets Supervision and Administration Commission of Suqian
Zhongxi, Accounting firm	Refer to	Zhongxi CPA LLP
Blue Alliance	Refer to	Jiangsu Blue Alliance Co., Ltd.
Yanghe Branch of the Company	Refer to	Jiangsu Yanghe Distillery Co., Ltd. Yanghe Branch
Siyang Branch of the Company	Refer to	Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch
Shuanggou Distillery	Refer to	Jiangsu Shuanggou Distillery Stock Co.,Ltd.
Guijiu Company	Refer to	Guizhou Guijiu Co., Ltd.
Inside and outside the province	Refer to	Inside and outside Jiangsu Province

Section II Company Profile and Key Financial Results

I. Corporate information

Stock abbreviation	Yanghe	Stock code	002304
Stock exchange where the shares of the Company are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	江苏洋河酒厂股份有限公司		
Abbr. of the Company name in Chinese	洋河股份		
Name of the Company in English (if any)	JIANGSU YANGHE DISTILLERY CO., LTD.		
Abbr. of the Company name in English (if any)	Yanghe		
Legal representative	Zhang Liandong		
Registered address	No.118 Middle Avenue, Yanghe Town, Suqian City, Jiangsu Province, China		
Postal code of registered address	223800		
Historical changes of the company's registered address	N/A		
Business address	No.118 Jiudu Avenue, Yanghe Town, Suqian City, Jiangsu Province, China		
Postal code of business address	223800		
Company website	http://www.chinayanghe.com		
E-mail	yanghe002304@chinayanghe.com		

II. Contact us

	Company secretary	Representative for securities affairs
Name	Lu Hongzhen	Zhu Haihui
Address	No.118 Jiudu Avenue, Yanghe Town, Suqian City, Jiangsu Province	No.118 Jiudu Avenue, Yanghe Town, Suqian City, Jiangsu Province
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E-mail	yanghe002304@chinayanghe.com	yanghe002304@chinayanghe.com

III. Information disclosure and place where the annual report is kept

The website of the stock exchange where the company discloses the annual report	Shenzhen Stock Exchange (www.szse.cn)
Media name and website of the annual report disclosed by the company	Securities Times, Shanghai Securities Times, China Securities Journal, Securities Daily and Cninfo (http://www.cninfo.com.cn)
Place where the Annual Report of the Company is kept	Shareholder reading room, the headquarters of the Company, Suqian City, Jiangsu Province

IV. Company registration and alteration

Organization code	9132000074557990XP
Changes in main business activities since the Company was listed (if any)	None
Changes of controlling shareholders of the Company (if any)	None

V. Other relevant information

Accounting firm engaged by the Company

Name of the accounting firm	Zhongxi CPA LLP
Business address of the accounting firm	11th Floor, Room 1101, No. 11 Chongwenmenwai Street, Dongcheng District, Beijing
Name of accountants for writing signature	Gong Zhaoping, Wang Wenjuan

Sponsors engaged by the Company to continuously perform its supervisory function during the reporting period

☐ Applicable ☒ N/A

Financial adviser engaged by the Company to continuously perform its supervisory function during the reporting period

☐ Applicable ☒ N/A

VI. Key accounting data and financial indicators

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

☐ Yes ☒ No

	2024	2023	Increase/Decrease Compared to the Previous Year	2022
Operating revenues (CNY)	28,876,296,993.56	33,126,277,551.51	-12.83%	30,104,896,186.70
Net profits attributable to shareholders of the Company (CNY)	6,673,388,602.12	10,015,930,040.27	-33.37%	9,377,865,479.41
Net profits attributable to shareholders of the Company before non-recurring gains and losses (CNY)	6,835,235,643.35	9,842,844,980.49	-30.56%	9,276,677,881.62
Net cash flows from operating activities	4,628,711,237.28	6,130,220,867.96	-24.49%	3,647,623,952.19

(CNY)				
Basic earnings per share (CNY/share)	4.4299	6.6487	-33.37%	6.2252
Diluted earnings per share (CNY/share)	4.4299	6.6487	-33.37%	6.2252
Weighted average ROE	12.07%	20.34%	-8.27%	21.03%
	At the end of 2024	At the end of 2023	Increase/Decrease at the End of This Year Compared to the End of Last Year	At the end of 2022
Total assets (CNY)	67,345,265,219.62	69,792,287,455.91	-3.51%	67,972,824,646.81
Net assets attributable to shareholders of the Company (CNY)	51,588,243,128.65	51,938,515,345.20	-0.67%	47,475,039,184.70

The Company's net profit before or after deducting non-recurring profits and losses in the last three fiscal years is negative, and the audit report of the last year shows that the Company's ability to continue operating is uncertain

☐ Yes ☒ No

The net profit before or after deducting non-recurring profits and losses is negative

☐ Yes ☒ No

VII. Differences in accounting data under domestic and overseas accounting standards

1. Differences in the net profits and net assets disclosed in the financial reports prepared under the international and China accounting standards

☐ Applicable ☒ N/A

No such differences during this period.

2. Differences in the net profits and net assets disclosed in the financial reports prepared under the outbound and China accounting standards

☐ Applicable ☒ N/A

No such differences during this period.

VIII. Key financial results by quarter

Unit: CNY

	Q1	Q2	Q3	Q4
Operating revenues	16,254,884,718.38	6,620,864,175.19	4,640,733,548.45	1,359,814,551.54
Net profits attributable to shareholders of the Company	6,055,230,532.04	1,892,014,895.14	631,466,120.39	-1,905,322,945.45
Net profits attributable to shareholders of the Company before deducting non-recurring profits and losses	6,050,415,450.86	1,890,771,215.20	455,892,588.81	-1,561,843,611.52
Net cash flows from	4,850,465,091.64	-2,807,136,463.35	1,414,979,714.11	1,170,402,894.88

operating activities				
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Whether there are any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports.

☐ Yes ☒ No

IX. Non-recurring profits and losses

Unit: CNY

Item	2024	2023	2022	Note
Profit or loss from disposal of non-current assets (including the write-off portion of the impairment provision)	-40,249,265.21	-10,375,821.67	-5,887,909.75	
Government grants included in the profit or loss for the current period (except those closely related to the normal business of the company, in line with the provisions of national policies, and continuously enjoyed according to a certain standard quota or quantity)	50,445,321.61	51,085,965.67	60,162,525.57	
Except for the effective hedging business related to the normal business of the company, profits and losses from changes in fair value arising from holding trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and financial assets available for sale	-242,790,641.63	211,499,562.04	77,907,331.60	
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the identifiable net assets of the investee at the time of acquisition.	13,641,150.48			
Other non-operating income and expenditure except above-mentioned items	6,241,035.85	-19,590,043.61	827,476.72	
Other items of profit or loss that meet the definition of non-recurring profit or loss			3,610,292.93	
Less: Corporate income tax	-51,001,648.61	59,943,924.97	34,647,176.78	
Minority interests (after tax)	136,290.94	-409,322.32	784,942.50	
Total	-161,847,041.23	173,085,059.78	101,187,597.79	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

☐ Applicable ☒ N/A

The company has no specific circumstances of other profit and loss items that meet the definition of non-recurring profit and loss.

Description of defining non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure for Listed Companies -Non-recurring Profits and Losses as recurring profit and loss items.

☐ Applicable ☒ N/A

There is no such situation that the company classifies the non-recurring profit and loss items listed in the

Explanatory Announcement No. 1 on Information Disclosure for Listed Companies -Non-recurring Profits and Losses
as recurring profit and loss items.

Section III Management Discussion and Analysis

I. Industry conditions faced by the company during the reporting period

During the reporting period, the competition in the liquor industry continued and became increasingly fierce, gradually shifting from diversified and differentiated competition to the competition centering on the leading enterprises. The characteristics of strong concentration and strong differentiation became more prominent, indicating increased Matthew effect. According to the data from the National Bureau of Statistics, the output of liquor (equivalent to 65 degrees, commodity volume) of enterprises above designated size in China was 4.145 million kiloliters in 2024, a year-on-year decrease of 1.80%.

Yanghe is a large Chinese Baijiu production enterprise possessing high brand awareness and reputation nationwide. It is the only enterprise in the Chinese Baijiu industry that owns two famous Chinese Baijiu brands, Yanghe and Shuanggou, two time-honored Chinese brands, six well-known Chinese trademarks, and two 4A level scenic spots. The company's major products are Dream Blue, Sky Blue, Ocean Blue, Sujiu, Zhenbaofang, Yanghe Daqu, Shuanggou Daqu and so on, which have high brand recognition and reputation throughout China.

II. Main Businesses of the Company During the Reporting Period

The company shall comply with the disclosure requirements of food and wine manufacturing industries in Self-regulatory Guidelines for Listed Companies in Shenzhen Stock Exchange No. 3 - Industry Information Disclosure

The main business engaged

The main business of the company is the production and sale of Chinese Baijiu, that is manufactured by solid-state fermentation and traded mainly through two modes: wholesale distribution and online direct sales. The company's main business and business model did not change during the reporting period. According to the Industry Classification Guidelines for Listed Companies (revised in 2012) issued by the CSRC, the company belongs to the "C15 wine, beverage and refined tea manufacturing industry".

Information about brand operation

The Company's products include Dream Blue, Sujiu, Sky Blue, Zhenbaofang, Ocean Blue, Yanghe Daqu, Shuanggou Daqu, Guijiu, Sidus Wine and so on. According to the price range standard of ex-factory price, the Company categorizes the products into mid/high end and ordinary products. The mid/high end products refer to those with ex-factory price \geq CNY 100 / 500ml, mainly including Dream Blue craft class, Dream Blue M9, Dream Blue M6 +, Dream Blue Crystal version, Su Jiu, Sky Blue, Zhenbaofang (Difang, Shengfang), Ocean Blue and so on. Ordinary products refer to those with ex-factory price $<$ CNY 100 / 500ml, mainly consisting of Yanghe Daqu and Shuanggou Daqu etc.

The revenue of various products is as follows:

Unit: CNY

Products	Operating revenue	
	2024	YoY change
Mid/high end products	24,317,191,550.05	-14.79%
Ordinary products	3,931,104,279.57	-0.49%

Main sales model

The company sells its products mainly through distributors. Its sales models include wholesale distribution and online direct selling, among which wholesale distribution is the main sales model.

☒Applicable ☐N/A

1. Disclosure of main business composition by different types

Unit: CNY

Types	Operating revenue	YoY change	Operating cost	YoY change	Gross margin	YoY change
By sales model						
Wholesale distribution	27,854,167,407.45	-13.10%	7,214,696,009.53	-5.54%	74.10%	-2.07%
Online direct selling	394,128,422.17	-9.77%	113,496,434.65	-8.20%	71.20%	-0.50%
Subtotal	28,248,295,829.62	-13.05%	7,328,192,444.18	-5.58%	74.06%	-2.05%
By geographical segment						
Jiangsu	12,748,484,435.48	-11.43%	3,254,113,271.23	-9.91%	74.47%	-0.43%
Ex-Jiangsu	15,499,811,394.14	-14.35%	4,074,079,172.95	-1.82%	73.72%	-3.35%
Subtotal	28,248,295,829.62	-13.05%	7,328,192,444.18	-5.58%	74.06%	-2.05%
By product						
Mid/high end products	24,317,191,550.05	-14.79%	5,176,882,645.38	-8.12%	78.71%	-1.55%
Ordinary products	3,931,104,279.57	-0.49%	2,151,309,798.80	1.15%	45.27%	-0.89%
Subtotal	28,248,295,829.62	-13.05%	7,328,192,444.18	-5.58%	74.06%	-2.05%

The company's main products are classified according to the price range standard of ex-factory price, including medium/high end products ≥ 100 CNY / 500ml and ordinary products < 100 CNY / 500ml.

2. Disclose the number of distributors according to regional classification

Geographical segment	The number of distributors at the end of the reporting period	Increase (decrease) in the number during the reporting period
Jiangsu	2,999	39
Ex-Jiangsu	5,867	38
Total	8,866	77

3. Settlement method and distribution method

The Company mainly adopts the bank transfer method for settlement, and applies the method of payment before goods for product sales.

4. Sales amount and sales proportion of the top five distributors

In 2024, the total sales amount of the top five distributors was CNY 2,351.77 million, accounting for 8.15% of the total sales of this year. Among the sales of the top five distributors, the sales from related parties were CNY 0, accounting for 0% of the total sales of this year. The total amount of receivables of the top five distributors at the end of the period was zero.

Retail sales accounted for more than 10%.

☐Applicable ☒N/A

Online direct selling

☒Applicable ☐N/A

Unit: CNY

Product	Online direct selling	Sales amount in 2024	Sales amount in 2023	YoY change
Liquor	Tmall, JD and other platforms	394,128,422.17	436,807,935.79	-9.77%

The sales price of the main products contributing more than 10% of the total operating revenue of the current period changed by more than 30% compared with the previous reporting period

☐Applicable ☒N/A

Procurement mode and content

Unit: CNY

Procurement mode	Procurement content	Amount
Market bidding	Raw materials and packaging materials	5,908,651,371.36
Marketing purchase	Energy	429,689,201.35

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

☐Applicable ☒N/A

The price of major outsourced raw materials changed by over 30% year on year

☐Applicable ☒N/A

Main production mode

The Company's production mode is self-produced mode, with major parts including raw material crushing, fermentation, distillation, grade storage, liquor body design and combination, product packaging, etc.

Commissioned production

☐Applicable ☒N/A

The main components of operating costs

Unit:CNY

Types	Cost item	2024		2023		YoY change
		Amount	As a percentage of operating cost	Amount	As a percentage of operating cost	
Chinese Baijiu	Direct materials	5,524,407,465.24	71.27%	5,740,988,852.45	70.01%	-3.77%
	Direct labor	1,268,364,612.69	16.36%	1,389,888,502.86	16.95%	-8.74%
	Fuels and energy	252,653,570.95	3.26%	284,861,395.36	3.47%	-11.31%
	Manufacturing overhead	235,657,087.56	3.04%	283,217,880.58	3.45%	-16.79%

Output and inventory

1. Production volume, sales volume and inventory of major products

Types	Item	2024	2023	YoY change
Chinese Baijiu	Sales (ton)	139,076.05	166,154.73	-16.30%
	Production (ton)	145,494.73	158,834.29	-8.40%
	Inventory (ton)	45,594.72	39,176.04	16.38%

2. Inventory of finished and semi-finished Baijiu at the end of the period

Inventory of finished products (including finished baijiu and wine) (ton)	Inventory of semi-finished Baijiu (including raw liquor) (ton)
46,169.17	697,082.59

3. Capacity of the Company

Name of production entity	Design capacity (ton)	Actual capacity in 2024 (ton)
Yanghe (including Yanghe branch and Siyang branch)	222,545	117,371
Shuanggou Distillery	97,040	25,296

III. Analysis of core competitiveness

The Company has significant advantages in natural environment, quality technology, brand building, marketing network and so on. The Company has formed its unique core competencies, which remain unchanged during the reporting period.

1. Natural environment advantage

The Company is located in Suqian, the capital of Chinese Baijiu with 'three rivers, two lakes and one wetland'. As one of the three famous wetlands in the world, Suqian enjoys equal popularity with the Scotch whisky producing area and the French Cognac producing area. The long history and unique ecological environment provide a good source of water, soil and air for production for liquor production. Especially the microorganism condition is significantly beneficial to production. The Yanghe distillery originated in the Sui and Tang Dynasties, flourished in the Ming and Qing Dynasties. It had been sold in Jianghuai area during the period of Yong Zheng of Qing Dynasty. It has a good reputation that 'dainty taste derived from fortune spring and liquor ocean, which made Yanghe rank first in Jianghuai area'. Shuanggou alongside Yanghe was praised as the origin of Chinese natural liquor by domestic and overseas experts due to the discovery of drunken ape fossils in Xiacaowan.

2. Quality advantage

Considering the diversification and individuation of consumption demand, the Company took the lead in breaking the traditional classification of Baijiu flavor. The Company classifies Baijiu based on taste and emphasizes the value of taste. The Company strengthens the mellowness of Baijiu, puts forward the new style of the mellow Baijiu quality, and deeply meets core demand of target consumers. It has successfully established new craft of mellow Baijiu production and system framework of mellowness mechanism, which caters to market consumption. In June 2008, "Mellowness", a special type of Yanghe, was first written into the national standard in China Protected Geographical Indication Product- Yanghe Daqu (Standard No. GB/T22046-2008). In 2019, the company formulated the group standard named "Mellow Baijiu" (i.e., T/CBJ2104-2019), which further enriched and improved the relevant standards of mellow Baijiu. In 2022, the company formulated the standards of "Baijiu Wetland Real Estate Area" (T/CBJ2305-2022) and "Wetland Baijiu" (T/CBJ2110-2022), which promoted the specification of technical quality standards for wetland liquor. In 2023, the company released the "China's Baijiu Mellow Quality

Development Report”, and comprehensively constructed the “mellow system”.

3. Talent advantage

The Company has 56 Masters of Chinese Baijiu, 78 provincial Baijiu tasting committee members and 2,009 technicians. The Company also has 10 national and provincial technical research and development platforms. The distinctness advantage of technical talents provides technical support for the continuous improvement of mellow Baijiu quality. In 2024, the company's three scientific and technological achievements, including "Key Technologies for Analysis and Application of Microbiome in the Brewing Process of Mellow Liquor", have been appraised by the China Light Industry Federation, five scientific research projects have won provincial and above awards, and the company won the first and second places in the Second China Liquor Chief Taster Competition.

4. Brand advantage

The Company, as one of the eight traditional well-known Baijiu enterprises, is the only one in China's liquor industry that has two Chinese famous baijiu, Yanghe and Shuanggou, two Chinese time-honored brands, six well-known Chinese trademarks such as Yanghe, Shuanggou, Blue Classic, Zhenbaofang, Dream Blue, Su, two national 4A scenic spots, two national industrial heritages, and a national key cultural relics protection unit. In the research report "Top 500 Most Valuable Chinese Brands in 2024" released by GYBrand Global Brand Research Institute, the company ranked third in China's liquor industry with a brand value of 90.979 billion yuan; in the "Global Most Valuable Liquor Brands List in 2024" released by Brand Finance, a world-renowned brand value research organization, the company ranked fifth in the world with a brand value of 6.3 billion US dollars.

5. Marketing network advantage

The company has a marketing team with innovative ideas and strong execution. Its marketing network has penetrated into all counties and regions in China. The high-speed channel for distribution has been basically built, laying a solid foundation for future market expansion and category extension. Meanwhile, as a traditional enterprise, Yanghe has consistently optimized new sales model and advanced digital transformation. The sales digitalization of Yanghe has become a case study for Tsinghua University, showcasing the leading position of Yanghe in internet application.

IV. Analysis of main business

1. Overview

At the beginning of the reporting period, the company planned to strive for a year-on-year growth of 5%-10% in operating income in 2024. During the reporting period, the liquor industry entered the stage of zero-sum competition, and the market competition became more intense. The medium and sub-high-end price categories which the company's main products compete in were under great pressure. In the view of principles of scientific and sustainable development, the company actively adjusted its business strategies to cope with changes in the external environment and problems in its own development. In 2024, the company achieved operating income of 28.876 billion yuan, a year-on-year decrease of 12.83%; the net profit attributable to shareholders of listed company was 6.673 billion yuan, a year-on-year reduction of 33.37%.

2024 was a year of enterprise readjustment, the company concentrated on long-termism, main responsibilities and primary businesses, and comprehensively promoted the following tasks:

Promoting productions quality steadiness. The company deepened the application of mellow mechanism,

optimized the key processes and parameters that affect the quality of base liquor, and continuously improved the distilling process system. Therefore, the company's base liquor achieved outstanding output and quality, with distinctive characteristics and a complex aroma of mellow taste. Three scientific and technological achievements have been appraised by the China Light Industry Federation, and five scientific research projects have won provincial and above awards. The company also took the first and second places of Second China Liquor Chief Sommelier Competition, and the technical strength of the company sustained. The digital management platform for liquor body was launched to facilitate the interaction between liquor body design and intelligent digitalization, thus further securing the stability of product quality.

Highlighting value of productions through three-dimensional dissemination. The company released the strategy of aged liquor with mellow taste, highlighting the core value of "Aged liquor produced by hand-made skills from intangible cultural heritage ", and launched the Chinese high-end aged liquor - Mengzhilan Hand-made Class, which made the company become the first aged liquor in the industry to be authorized by the "China Alcoholic Drinks Association" and authoritatively certified by the third-party certification agency "Fangyuan Group", further raising the brand reputation as well. Centralizing the theme of mellowness of a great country, the company propagated its main tune of the brand in stereoscopic dimension, by presenting a tribute to the 60th anniversary of the establishment of diplomatic relations between China and France, participating major international events such as the G20 Summit and the Davos Forum, and launching the "Yanghe Mengzhilan" Jielong III carrier rocket. All those efforts were dedicated to the further enhancement of brand image.

Focusing on marketing and constructed an unshakable basis. Based on the principle of "streamlining and efficiency, strengthening the overall management", the company optimized its marketing organization structure, raised the regional focus by brands, and enhanced synergy between different brands. The management distinguished the market into four categories: highland, model, weak, and blank markets, and accordingly applied local policies with matched resources. The company deepened the provincial base camp market and the Yangtze River Delta market, which turned into a strategic focus underpinned by necessary resources. The deployment of Mengzhilan Hand-made Class Aged Liquor would be mainly focusing on replenishment and improvement of the crucial aspects of the leading brand products matrix, and fulfill the marketing and production structure upgrading and demands for competition. The company highlighted terminal operations, optimized the "Dream Benefit" platform, and took multiple measures to enhance enthusiasm of the terminal and maintain the stability of the market. The company improved the rating, entry and exit mechanism of distributors, and built a dealer counsel platform to ensure the basic management of marketing sophisticated.

Promoting the sustainable development continuously and thoroughly. The company committed to promote sustainable governance, improved the platform for non-executive directors to comply with their duties, upgraded the corporate governance system, strengthened the information system of internal audit, and continuously optimized the shareholders return mechanism. For the purpose of propelling green and sustainability, carrying out energy conservation and carbon reduction thoroughly, the company founded two zero-carbon workshops, which were verified by the carbon management system certification and won recognitions such as "The Leading Enterprise of Chinese Industrial Peak Carbon Dioxide Emissions and Carbon Neutrality for the year 2024". The company deepened the sustainability development of society, boosted smartness production projects, improved the supply chain system, and continuously lifted the level of digital and intelligent application. Yanghe complied with the enterprise annuity system, and formulated packages of employee caring policies. The company have been awarded as the honorary title of "Annual Charity Enterprise" by the China Charity Federation for three consecutive

years, for supporting Chinese aerospace, rural revitalization, and students to realize their dreams.

During the reporting period, facing the changes of the external environment, the base of management issue of the company further consolidated, nevertheless the transformation and adjustment still require time and space. For details of the next step of work plan, please refer to the "Business Plan by the year 2025" in Section 3 of this report.

2. Revenues and cost of sales

(1) Breakdown of operating revenues

Unit: CNY

	2024		2023		YoY change
	Amount	As a percentage of operating revenues	Amount	As a percentage of operating revenues	
Total	28,876,296,993.56	100%	33,126,277,551.51	100%	-12.83%
By business segment					
Alcoholic Drinks	28,248,295,829.62	97.83%	32,489,436,696.05	98.08%	-13.05%
Other	628,001,163.94	2.17%	636,840,855.46	1.92%	-1.39%
By product					
Baijiu	28,175,707,878.18	97.57%	32,389,581,931.71	97.78%	-13.01%
Wine	72,587,951.44	0.26%	99,854,764.34	0.30%	-27.31%
Other	628,001,163.94	2.17%	636,840,855.46	1.92%	-1.39%
By geographical segment					
Jiangsu	13,031,872,833.19	45.13%	14,675,188,393.55	44.30%	-11.20%
Ex-Jiangsu	15,844,424,160.37	54.87%	18,451,089,157.96	55.70%	-14.13%
By sales model					
Wholesale distribution	27,854,167,407.45	96.46%	32,052,628,760.26	96.76%	-13.10%
Online direct selling	394,128,422.17	1.37%	436,807,935.79	1.32%	-9.77%
Other	628,001,163.94	2.17%	636,840,855.46	1.92%	-1.39%

(2) Business segment, products, geographical segments or sales models contributing over 10% of the operating revenues or profits

☒Applicable ☐N/A

Unit: CNY

	Operating revenues	Cost of sales	Gross profit margin	YoY change of operating revenue	YoY change of cost of sales	YoY change of gross profit margin
By business segment						
Alcoholic Drinks	28,248,295,829.62	7,328,192,444.18	74.06%	-13.05%	-5.58%	-2.05%
By product						
Baijiu	28,175,707,878.18	7,281,082,736.44	74.16%	-13.01%	-5.43%	-2.07%
By geographical segment						
Jiangsu	12,748,484,435.48	3,254,113,271.23	74.47%	-11.43%	-9.91%	-0.43%
Ex-Jiangsu	15,499,811,394.14	4,074,079,172.95	73.72%	-14.35%	-1.82%	-3.35%
By sales mode						
Wholesale	27,854,167,407.45	7,214,696,009.53	74.10%	-13.10%	-5.54%	-2.07%

distribution						
Online direct selling	394,128,422.17	113,496,434.65	71.20%	-9.77%	-8.20%	-0.50%

Under the circumstances that the statistical standards for the Company's main business data adjusted in the reporting period, the Company's main business data in the current one year is calculated based on adjusted statistical standards at the end of the reporting period.

☐ Applicable ☒ N/A

(3) Whether revenue from physical sales is higher than service revenue

☒ Applicable ☐ N/A

By business segment	Item	Unit	2024	2023	YoY change
Baijiu	Sales volume	Ton	139,076.05	166,154.73	-16.30%
	Production volume	Ton	145,494.73	158,834.29	-8.40%
	Inventory volume	Ton	45,594.72	39,176.04	16.38%
Wine	Sales volume	Ton	1,427.75	1,682.34	-15.13%
	Production volume	Ton	1,302.77	1,542.62	-15.55%
	Inventory volume	Ton	574.45	699.43	-17.87%

Reasons for any over 30% YoY changes in the data above.

☐ Applicable ☒ N/A

(4) Execution of significant sales contracts and significant purchase contracts in the reporting period

☐ Applicable ☒ N/A

(5) Breakdown of cost of sales

By business and product segment

Unit: CNY

By business segment	Item	2024		2023		YoY change
		Amount	As a percentage of cost of sales	Amount	As a percentage of cost of sales	
Alcoholic Drinks		7,328,192,444.18	94.54%	7,761,633,378.60	94.65%	-5.58%

Unit: CNY

By product segment	Item	2024		2023		YoY change
		Amount	As a percentage of cost of sales	Amount	As a percentage of cost of sales	
Alcoholic Drinks	Direct materials	5,570,735,174.69	71.87%	5,801,995,203.19	70.75%	-3.99%
Alcoholic Drinks	Direct labor	1,268,867,989.50	16.37%	1,390,804,791.53	16.96%	-8.77%
Alcoholic Drinks	Fuels and energy	252,784,524.56	3.26%	285,195,260.04	3.48%	-11.36%
Alcoholic	Manufact	235,804,755.43	3.04%	283,638,123.84	3.46%	-16.86%

Drinks	uring overhead					
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Note: N/A

(6) Changes in the scope of the consolidated financial statements for the reporting period

☒Applicable ☐N/A

a) Establishment of subsidiaries

- 1) Jiangsu Yangmingliwei Liquor Co., Ltd., a controlling subsidiary, subscribed RMB10 million established Tibet Yangmingwei Liquor Co., Ltd., which was included in the scope of the consolidated financial statements from January 2024.
- 2) Jiangsu Yiguoxiang Biotechnology Co., Ltd., a controlling subsidiary, subscribed RMB2 million established Suqian Yiguoxiang Sales Co., Ltd., which was included in the scope of the consolidated financial statements from June 2024.
- 3) Jiangsu Yiguoxiang Biotechnology Co., Ltd., a controlling subsidiary, subscribed RMB1 million to established Hangzhou Yiguoxiang Brand Operation Management Co., Ltd., which was included in the scope of the consolidated financial statements from February 2024.
- 4) The Company subscribed RMB20 million established Hainan Yanghe Trading Co., Ltd., which was included in the scope of the consolidated financial statements from July 2024.

b) Deregistration of subsidiaries

- 1) Jiangsu Shiyang Network Technology Co., Ltd., a holding subsidiary, has completed the industrial and commercial deregistration and would no longer be included in the scope of the consolidated financial statements from November 2024.
- 2) Jiangsu Yanghe Micro Classroom Network Technology Co., Ltd., a holding subsidiary, has completed the industrial and commercial deregistration and would no longer be included in the scope of the consolidated financial statements from December 2024.

(7) Major changes in the business, products or services in the reporting period

☐Applicable ☒N/A

(8) Main customers and suppliers

Sales to major customers of the Company

Total sales from top five customers (CNY)	2,351,769,956.63
Total sales from top five customers as a percentage of the total sales	8.15%
Total sales from related parties among top five customers as a percentage of the total sales	0.00%

Information on top five customers

No.	Customer	Sales amount (CNY)	As a percentage of the total sales for the year
1	Customer A	1,148,284,663.17	3.98%
2	Customer B	373,078,860.46	1.29%

3	Customer C	296,940,777.43	1.03%
4	Customer D	280,498,068.84	0.97%
5	Customer E	252,967,586.73	0.88%
Total	--	2,351,769,956.63	8.15%

Other information on major customers

☐ Applicable ☒ N/A

Major suppliers of the Company

Total purchase from top five suppliers (CNY)	1,325,658,043.71
Total purchase from top five suppliers as a percentage of the total sales	18.61%
Total purchase from related parties among top five suppliers as a percentage of the total purchase	0.00%

Information on top five suppliers

No.	Supplier	Purchases (CNY)	As a percentage of the total purchase for the year
1	Supplier A	486,804,429.09	6.83%
2	Supplier B	251,608,659.37	3.53%
3	Supplier C	243,472,648.94	3.42%
4	Supplier D	182,172,028.43	2.56%
5	Supplier E	161,600,277.88	2.27%
Total	--	1,325,658,043.71	18.61%

Other information on major suppliers

☐ Applicable ☒ N/A

3. Expense

Unit: CNY

	2024	2023	YoY change	Reason for any significant change
Selling and distribution expenses	5,516,238,544.79	5,386,953,700.62	2.40%	
General and administrative expenses	1,924,730,302.35	1,764,423,149.06	9.09%	
Finance expenses	-610,889,994.14	-754,525,568.63	19.04%	
R&D expenses	104,796,407.26	284,753,881.33	-63.20%	The numbers of R&D projects decreased during the period, resulted in a corresponding decrease in R&D expenses.

The company shall comply with the disclosure requirements of food and wine manufacturing businesses in Self Regulatory Guidelines for Listed Companies in Shenzhen Stock Exchange No. 3 - Industry Information Disclosure

The composition of selling and distribution expenses

Unit: CNY

Item	Current period amount	As a percentage of selling and	Previous period amount	As a percentage of selling and	YoY change
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		distribution expenses		distribution expenses	
Advertising and promotion expense	3,648,740,884.77	66.15%	3,460,573,010.51	64.24%	5.44%
Employee salary	1,199,353,317.76	21.74%	1,278,306,975.33	23.73%	-6.18%
Travel expense	485,971,661.37	8.81%	473,214,108.76	8.78%	2.70%
Labor expense	24,494,592.14	0.44%	29,938,594.80	0.56%	-18.18%
E-commerce expense	68,031,081.97	1.23%	57,389,122.19	1.07%	18.54%
Other expense	89,647,006.78	1.63%	87,531,889.03	1.62%	2.42%
Subtotal	5,516,238,544.79	100.00%	5,386,953,700.62	100%	2.40%

Composition of advertising costs:

Unit: CNY

Item	Current period amount	As a percentage of advertising expense
Nationwide advertising expense	800,678,417.65	53.23%
Regional advertising expense	703,629,700.31	46.77%
Total	1,504,308,117.96	100.00%

4. R&D input

☒Applicable ☐N/A

Name of main R & D projects	Purpose	Progress	Objectives to be achieved	Expected impact on future development
Research on the ecological environment and brewing microbiota in the Suqian production area of Chinese baijiu	Analyze the natural ecological conditions of the Suqian production area of Chinese baijiu, elucidate the environmental microbiota and brewing microbiota structure, and expound on the ecological brewing characteristics of mellow Chinese baijiu.	Accomplished in June 2024.	1. Establish the natural ecological and microbial profile of the Suqian production area for Chinese baijiu; 2. Determine the environment and brewing dominant microbial flora in different seasons and divisions of Suqian liquor production area, and analyze the interactive impacts of the environment on the brewing microecology.	Provide support for the ecological advantages and key technological applications of mellow baijiu.
Research on new technology of mellow liquor based on improving the quality of raw	By analyzing the typical characteristics of the new process of mellow raw liquor	The interim goal will be completed in December 2024, and the goal is expected to be	1. Focusing, refining, expressing and analyzing the typical characteristics and	The raw liquor would like to serve as the base liquor reserve for the company's future

liquor.	style and studying the biological mechanism, clarified the fermentation container of the new process of mellow and solidified the model of process, in order to further highlight the characteristics of the body and enable the company to develop new product categories in the future.	achieved in December 2025	styles of the new process raw liquor of mellowness. 2. Study on the biological mechanism of the formation of the typical style of the new process raw liquor of mellow. 3. Revealing the fermentation and microbial succession laws of different fermentation containers. 4. Solidification of the new process model of mellow based on quality improvement.	development of new product categories.
Study on optimization of parameters and modeling for Luzhou-flavor fermented grains entering cellar	The key parameters of Luzhou-flavor fermented grains entering the cellar are studied, and an optimization model for the parameters of Luzhou-flavor fermented grains entering the cellar is established to provide theoretical guidance and technical support for the production practice of company	The interim goal will be completed in December 2024, and the final target is expected to be completed in December 2025	1. Clarify the parameters of Luzhou-flavor fermented grains entering the cellar and their impacts during the fermentation process that reflect quality of liquor, find the optimal combination of parameters through experimental verification. 2. Establish an optimization model for the parameters of Luzhou-flavor fermented grains entering the cellar, apply it to pilot production, and improve the production and quality of raw liquor.	Help the company upgrade quality of products and enhance its market competitiveness.
Study on the correlation between sesame-flavor fermentation driving system and functional microbial structure	Reconstruct the combination ratio of sesame-flavored yeast production strains, optimize the raw material ratio and cultivation process parameters of sesame-flavored	Accomplished in June 2024	1. Combining the application results of flavor yeast strains and the research results of Jiangnan University, that a systematic study was conducted on the	Provide technical support for sesame-flavor process fermentation optimization and form a seasonal process model.

	yeast production, take the metabolic regulation of flavor substances as the guide, clarify the influence of different stacking fermentation methods on sesame-flavored liquor, and determine the stacking process parameters.		growth characteristics, flavor metabolism, biochemical indicators, and other indexes of the three types of existing yeast, white yeast and bacteria strains to confirm the the category of sesame flavor yeast strain. 2. From the perspective of the growth metabolism of functional microorganisms in accumulation and fermentation of sesame flavor, optimized the use of yeast, shells, water, etc. to form a seasonal process model for sesame flavor.	
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Information about R&D personnel

	2024	2023	YoY change
Number of R&D personnel	608	632	-3.80%
R&D personnel as a percentage in total employees	2.82%	3.08%	-0.26%
Educational background of R & D personnel			
Bachelor degree	166	173	-4.05%
Master degree	57	60	-5.00%
Age of R & D personnel			
Under 30	49	58	-15.52%
Between 30 and 40	314	350	-10.29%
Above 40	245	224	9.38%

Information about R&D input

	2024	2023	YoY change
R&D input (CNY)	108,276,667.57	291,491,760.35	-62.85%
R&D input as a percentage in operating revenues	0.37%	0.88%	-0.51%
Capitalized R&D input (CNY)	3,480,260.31	6,737,879.02	-48.35%
Capitalized R&D input percentage in total R&D input	3.21%	2.31%	0.90%

Reasons and effects of YoY change in the composition of R & D personnel.

☐ Applicable ☒ N/A

Reasons for any significant YoY change in the ratio of the R&D input to the operating revenues.

☐ Applicable ☒ N/A

Reasons for any significant YoY change in the ratio of the R&D input to the operating revenues.

☐ Applicable ☒ N/A

5. Cash flow

Unit: CNY

Item	2024	2023	YoY change
Subtotal of cash inflows from operating activities	31,945,110,362.06	35,756,560,836.18	-10.66%
Subtotal of cash outflows from operating activities	27,316,399,124.78	29,626,339,968.22	-7.80%
Net cash flows from operating activities	4,628,711,237.28	6,130,220,867.96	-24.49%
Subtotal of cash inflows from investing activities	13,783,485,811.46	11,413,472,196.95	20.77%
Subtotal of cash outflows from investing activities	15,085,731,267.14	10,752,437,520.01	40.30%
Net cash flows from investing activities	-1,302,245,455.68	661,034,676.94	-297.00%
Subtotal of cash inflows from financing activities		57,000,000.00	-100.00%
Subtotal of cash outflows from financing activities	7,049,805,120.98	5,665,338,295.46	24.44%
Net cash flows from financing activities	-7,049,805,120.98	-5,608,338,295.46	-25.70%
Net increase in cash and cash equivalents	-3,719,711,942.65	1,182,007,012.68	-414.69%

Explanation of why the data above varied significantly.

☒ Applicable ☐ N/A

(1) Cash outflows from investing activities increased by 40.30% in this period compared with the previous period, mainly due to the increase in structured deposits purchased during this period.

(2) Net cash flows from investing activities decreased by 297% in this period compared with the previous period, basically because the increase in cash outflows from investing activities in this period was greater than the increase in cash inflows from investing activities, resulted in a reduction in net cash flows from investing activities.

(3) Cash inflows from financing activities reduced by 100.00% in this period compared with the previous period, mainly for the cash received from minority shareholders' investment by subsidiaries in the previous period, did not occur in this period.

(4) Net increase in cash and cash equivalents declined by 414.69% in this period compared with the previous period, mainly attributed to the decrease in net cash flows from operating activities, investing activities and financing activities in this period.

An explanation of the reasons for the significant difference between the net cash flow generated by the Company's operating activities and the net profit for the year during the reporting period

☐Applicable ☒N/A

V. Analysis of non-core business

☒Applicable ☐N/A

Unit: CNY

	Amount	As a percentage of total profits	Reasons	Sustainability
Investment income	146,415,168.80	1.60%	It is mainly the wealth management income and the investment income of trading financial assets during the holding period	No
Changes in fair value	-396,164,080.43	-4.33%	Mainly due to changes in fair value of financial assets held for trading	No
Asset impairment	-11,203,156.73	-0.12%	Provision for stock obsolescence	No
Non-operating income	52,446,752.81	0.57%	The investment cost of acquiring an associate is less than the fair value of the identifiable net assets of the investee that should be affirmed when the investment is acquired, compensation and liquidated damages income	No
Non-operating expenses	70,140,310.99	0.77%	Mainly due to donation expenses and losses from retirement of fixed assets	No

VI. Analysis of assets and liabilities

1. Significant changes of asset items

Unit: CNY

	As at the end of 2024		As at the beginning of 2024		Change In percentage	Explanation about any significant changes
	Amount	As a percentage of total assets	Amount	As a percentage of total assets		
Cash and cash equivalents	21,748,297,978.37	32.29%	25,812,787,646.86	36.99%	-4.70%	
Accounts receivable	8,994,904.73	0.01%	3,528,778.28	0.01%	0.00%	
Inventories	19,732,881,051.73	29.30%	18,954,235,402.25	27.16%	2.14%	
Long-term	1,235,408,741.87	1.83%	1,229,838,793.04	1.76%	0.07%	

equity investments						
Fixed assets	5,571,618,070.98	8.27%	5,305,626,964.48	7.60%	0.67%	
Construction in progress	1,912,601,220.28	2.84%	1,457,315,739.56	2.09%	0.75%	
Right-of-use asset	66,814,914.62	0.10%	82,464,551.16	0.12%	-0.02%	
Contract liabilities	10,343,779,848.07	15.36%	11,104,763,487.18	15.91%	-0.55%	
Lease Liabilities	40,134,989.46	0.06%	48,709,685.88	0.07%	-0.01%	

The proportion of overseas assets is relatively high.

☐ Applicable ☒ N/A

2. Assets and liabilities measured at fair value

☒ Applicable ☐ N/A

Unit: CNY

Item	Opening balance	Changes in fair value recognized in profit or loss	Changes in the cumulative fair value recorded into equity	Provision for impairment	Amount of purchase	Amount of sale	Other changes	Closing balance
Financial Assets								
1. Financial assets held for trading (excluding derivative financial assets)	5,851,217,684.93	80,143,881.06			13,600,001,556.08	13,151,217,684.93		6,380,145,437.14
5. Other non-current financial assets	5,532,792,281.26	-476,307,961.49			30,157,455.57	473,162,648.59	669,672.46	4,614,148,799.21
Receivables financing								
Bank acceptance bill	261,576,568.30						829,275,120.37	1,090,851,688.67
Total	11,645,586,534.49	-396,164,080.43			13,630,159,011.65	13,624,380,333.52	829,944,792.83	12,085,145,925.02
Financial liabilities	0.00	0.00			0.00	0.00	0.00	0.00

Other changes

Other changes are the net change of bank acceptance bills during the period and the impacts of exchange rate fluctuating of other non-current financial assets.

Whether measurement attribution of main assets changed significantly during this period

☐ Applicable ☒ N/A

3. Restricted asset rights as of the end of this reporting period

Item(s)	Closing balance			
	Book balance	Book value	Restricted Type	Restrictions
Cash and cash equivalents	2,000,000.00	2,000,000.00	Blocked funds	Litigation freeze

VII. Investment

1. Total investment

☒ Applicable ☐ N/A

Investment made in the reporting period (CNY)	Investment made in the prior year (CNY)	YoY change
31,711,455.57	1,340,808,034.84	-97.63%

2. Significant equity investment made in the reporting period

☐ Applicable ☒ N/A

3. Significant non-equity investment ongoing in the reporting period

☐ Applicable ☒ N/A

4. Investment in financial assets

(1) Securities investment

☒ Applicable ☐ N/A

Unit: CNY

Category of securities	Stock code	Abbr. of securities	Initial investment cost	Accounting measurement model	Opening balance	Changes in fair value recognized in profit or loss	Changes in the cumulative fair value recorded into equity	Amount of purchase	Amount of sale	Profit and loss during the reporting period	Closing balance	Accounting subject	Capital source
Domestic and foreign stocks	601696	BOCI Securities LLC	300,000,000.00	Fair value	813,157,890.40	67,894,736.48				4,037,215.84	881,052,626.88	Other Non-current financial assets	Owned Fund
Other	Nil	Shanghai Yunfeng Xincheng Investment Center (L.P.)	1,012,429,757.67	Fair value	1,148,364,120.10	-278,429,757.67			135,934,362.43		734,000,000.00	Other Non-current financial assets	Owned Fund
Other	Nil	Lianchu Reserve Securities Co., Ltd.	330,000,000.00	Fair value	330,000,000.00						330,000,000.00	Other Non-current financial assets	Owned Fund
Other	Nil	Pan Mao (Shanghai) Investment Center (L.P.)	196,392,315.55	Fair value	424,312,885.65	-55,756,945.50			42,686,962.27		325,868,977.88	Other Non-current financial assets	Owned Fund
Other	Nil	Xiamen Yuanfeng Ronghao Equity Investment Partnership (Limited Partnership)	218,550,000.00	Fair value	224,487,985.30	14,945.17		30,000,000.00	4,500,000.00		250,002,930.47	Other Non-current financial assets	Owned Fund
Other	Nil	Nanjing Xingnaha Equity Investment Partnership (Limited Partnership)	214,386,300.00	Fair value	262,646,298.52	-7,675,944.10			10,370,700.00		244,599,654.42	Other Non-current financial assets	Owned Fund
Other	Nil	Nanjing Xingnahe Venture Capital Partnership	174,370,000.00	Fair value	196,627,500.00				22,257,500.00		174,370,000.00	Other Non-current	Owned Fund

		(Limited Partnership)										financial assets	
Other	Nil	Jiangsu Siyang Rural Commercial Bank Co., Ltd.	7,987,200.00	Fair value	151,394,268.49	10,310,469.27				2,959,120.32	161,704,737.76	Other Non-current financial assets	Owned Fund
Domestic and foreign stocks	VSPT	Vina San Pedro	425,350,132.53	Fair value	221,059,279.38	-76,538,225.20				6,725,982.22	144,521,054.18	Other Non-current financial assets	Owned Fund
Other	Nil	Jiangsu Zijin Hongyun Health Industry Investment Partnership Enterprise (Limited Partnership)	120,000,000.00	Fair value	144,094,987.35	-7,541,658.44					136,553,328.91	Other Non-current financial assets	Owned Fund
Other securities investments held at the end of this period			1,482,697,781.07	--	1,796,647,066.07	-128,585,581.50		157,455.57	437,413,123.89	848,360.46	1,231,475,488.71	--	--
Total			4,482,163,486.82	--	5,712,792,281.26	-476,307,961.49		30,157,455.57	653,162,648.59	14,570,678.84	4,614,148,799.21	--	--

(2) Derivative investments

☐ Applicable ☒ N/A

No such cases in the reporting period.

5. Use of fund-raising

☐ Applicable ☒ N/A

No such cases in the reporting period.

VIII. Sale of major assets and equity Interests

1. Sale of major Assets

☐ Applicable ☒ N/A

No such cases in the reporting period

2. Sale of major equity Interests.

☐ Applicable ☒ N/A

IX. Analysis of major subsidiaries

☒ Applicable ☐ N/A

Main subsidiaries and joint companies with an over 10% influence on the Company's net profit

Unit: CNY

Company name	Company type	Business scope	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Su Wine Trade Group Limited by Share Ltd.	Subsidiary	Wholesaling and retailing of prepackaged food	334,400,000.00	21,681,060,187.36	2,590,824,019.41	24,010,995,910.40	1,860,716,517.54	1,622,179,315.54
Jiangsu Shuanggou Distillery Stock Co., Ltd.	Subsidiary	Production and sales of Baijiu	110,000,000.00	12,256,306,096.46	10,488,820,025.93	3,741,929,908.43	2,440,249,844.31	2,222,862,565.15
Jiangsu Shuanggou Liquor Operation Co., Ltd.	Subsidiary	Wholesaling and retailing of prepackaged food	5,000,000.00	13,915,550,429.14	1,948,956,963.57	13,232,219,981.83	2,581,077,115.94	1,935,865,335.36
Jiangsu Yanghe Liquor Operation and Management Co., Ltd	Subsidiary	Wholesaling and retailing of prepackaged food	10,000,000.00	8,382,968,903.77	826,756,627.63	11,369,639,545.12	1,081,038,444.31	810,773,347.63
Siyang Blueprint Liquor Operation Co., Ltd	Subsidiary	Wholesaling and retailing of prepackaged food	3,000,000.00	23,499,885,501.89	802,576,972.76	11,145,219,750.02	1,063,892,299.14	797,915,272.76

Jiangsu Blue Dream E-commerce Co., Ltd	Subsidiary	Wholesaling and retailing of prepackaged food	10,000,000.00	2,051,170,071.40	812,472,232.93	2,390,958,176.66	1,062,123,691.07	796,736,638.35
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Acquisition and disposal of subsidiaries during the reporting period

☒Applicable ☐ N/A

Subsidiary name	How subsidiary was acquired or disposed during the reporting period	Impact on overall operation and results
Tibet Yangmingwei Liquor Co., Ltd	Establishment	minor
Suqian Yiguoxiang Sales Co., Ltd.	Establishment	minor
Hangzhou Yiguoxiang Brand Operation Management Co., Ltd	Establishment	minor
Hainan Yanghe Trading Co., Ltd.	Establishment	minor
Jiangsu Shiyang Network Technology Co., Ltd	Deregistration	minor
Jiangsu Yanghe Micro Classroom Network Technology Co., Ltd	Deregistration	minor

X. Structured entities controlled by the Company

☐Applicable ☒N/A

XI. Outlook for the future development of the Company

(1) Industry situation analysis

a) Industry output declines. According to the data from the National Bureau of Statistics, in 2024, the total output of liquor (equivalent to 65 degrees, commodity volume) of enterprises above designated size nationwide was 4.145 million kiloliters, a year-on-year decrease of 1.8%. The competition of the industry shifted into inventories in stock sustained to upgrading.

b) The Matthew effect intensifies. Against the background of the slowdown in the overall growth of the liquor industry, the competition of the industry is accelerating, and the market shares are further centralized in advantageous production areas, enterprises and brands.

c) Rational consumption is demonstrated. Liquor consumption has entered the era of "consumption rationality as well as price rationality", and consumers have formed a drinking consumption concept of rational drinking, wisely consumption, and drinking less but better.

d) Quality pursuit is boosting. With the continuous enhancement of healthy awareness national widely, consumers pay more attention to health and safety and product quality, and prefer products with comfortable taste and excellent quality.

(2) The company's development strategy and business plan

a) Development strategy

During the "14th Five-Year Plan" period, the company adheres to the consumer-centered growth route, with

double-famous baijiu brands as the main body and multi-brand as the pillar, focuses on quality, brands, culture and innovation, and builds the "12345" strategic system, making Yanghe brand as the leading force and Shuanggou brand as the surging power. The company aims to promote the continuous growth of the quantity and the steady improvement of the quality to a higher level, to achieve better, more balanced, higher quality and more efficient development, leading Yanghe to become a Chinese taste that Chinese are proud of and a Chinese business card that is remembered by the world.

b) Business plan for 2025

According to current period development of the liquor industry and the market competition environment, combining with the current development stage of the company, in 2025, we would like to concentrate on the Long-termism, strengthen quality publicizing and good reputation orienting, build a brand system operating based on demands customers, and accumulate potential competitiveness of brand. The company will thoroughly centralize on dominating products and major markets, further consolidate the market foundation, and promote healthy and sustainable development. The main issues to be complied are as followings:

(I) In terms of marketing, the company would maintain the control of quantity and price of dominating products and actively optimize the relationship between supply and demand through methods such as reasonable quota control. The company will clarify the policy guiding of open bottles for bonus and promote the benign growth of channels, centralizing Jiangsu and periphery around Jiangsu markets, to create and foster models and highland markets, strengthen channels and promote them positively, and solidify the base market. We will upgrade the effectiveness of resources allocation, support core terminals to improve, enhance the market expansion and operation capabilities of dealers, and support dealers to expand and prosper. We will reinforce BC linkage, analysis and control expenditure effectiveness, and improve the accuracy of expense investment. We hope to achieve breakthroughs of hotel channels expansion and group purchase channels, pushing forward market penetration into rural community and continuously strengthening the basal channels.

(II) In terms of brands, we would like to focus on the value of scarcity of "mellowness aged liquor ", continue to carry out integration of the brands as well as their dissemination, and deepen the high-end image of the hand-made class. Combining with propagandize the theme of "Mellowness Aged Liquor of a Great Country", we would focus on consumption scenarios and daily life scenarios, and strengthen the brand scenario expression. We hope to enhance the reputation of quality appreciated by consumers, accelerate the upgrading of the productions promotion system thoroughly, and launch diversified consumer development activities, to discover, nurture and transform consumers whole-heartedly.

(III) In terms of quality, we would like to perfect the technological innovation system gradually, promote independent innovation and deepen integration of industry, academia and research, increase efforts to tackle key issues and the transformation to apply research results. We target to boost the mellow distilling system, optimize production capacity, improve quality, and continuously develop higher-quality raw liquor that is richer, cozier more mellowness. We will ameliorate the resource guarantee system, promote the application of the digital platform for liquor body, efficiently coordinate the scientific allocation of resources, and ensure the capability that guarantee products iteration and upgrading. The company plans to enhance the quality expression system, and deeply explore the mellow genes, mellow mechanisms and mellow culture.

(IV) In terms of management, we would like to strictly follow the latest requirements of laws and regulations to

optimize corporate governance structure and system of the company. Centering on the top-level planning of "Digital Yanghe", we will further promote the digitalization and intelligence of operations, strengthen the application of AI technology in customer service, business training and other management aspects, and deeply explore innovative methods and effective paths for the brand and its reputation building in the AI era. We will continue to study and implement the "Dual-Carbon" policy, promote the use of smartness energy platforms, improve the internal assessment system for carbon emissions, and deeply integrate the ESG concepts into the internal management of the enterprise. We will adhere to prevent and control from the source, through high-efficiency governance accelerate the construction of an inherent safety management standard system, and continue to tighten the four major responsibilities of all employees i.e. "production safety, firefighting safety, food safety, and public security safety."

(3) Possible risks

1. Risk of uncertainty of the external environment. Currently, the economy of China is gradually recovering, but still facing a complex and severe external situation, which brings great uncertainties to the development of the liquor industry.
2. Risk of intensified industry competition. Presently squeeze-type competition in the liquor industry is accelerating, and the competition among liquor enterprises, especially the market competition among the leading liquor companies, becomes more intensified. Each famous liquors are competing directly in the same region.
3. Risk of changes in consumer demand. The scale and group structure of the current main liquor consumer groups, their demands and concepts have changed, and the drinking habits of the new consumer groups would have a certain impact on the development of the industry.

XII. Visits paid to the Company for research, communication, interview, etc. during the reporting period.

☒Applicable ☐N/A

Date of visit	Reception site	Way of visit	Type of visitor	Visitor	The main contents of the discussion and the information provided	Index to main inquiry information
2024-04-28	Telephone conference	Telephone communication	Institution	Guosen Securities; Shenwan Hongyuan Securities; Zheshang Securities; Guotai Haitong Securities; Huaitai Securities; Changjiang Securities; CITIC	The company's production, marketing, finance, production planning, strategy, investor returns, etc.	Yanghe Share Survey Activities Information on 30 Apr 2024 on www.cninfo.com.cn

				Securities; Industrial Securities; Dongxing Securities; Tianfeng Securities; Zhongtai Securities, other brokerage analysts and institutional investors.		
2024-05-13	Panorama.com	Online platform	Other	Investors who participated in the online briefing on the company's 2023 annual results	The company's production, marketing, management , finance, strategies, etc.	Yanghe Share Survery Activities Information on 14 May 2024 on www.cninfo.com.cn
2024-06-07	Suqian Hengli International Hotel	Field survey	Other	Shareholders and investors who participated in the on-site communication of the company's 2023 annual general meeting	Company operation, production planning, investor returns, etc.	Yanghe Share Survery Activities Information on 12 Jun 2024 on www.cninfo.com.cn
2024-09-26	Headquarter	Field survey	Institution	Investors from Tianfeng Securities; CIB Wealth Management ; BOC Investment Management ; Bin Yuan Capital	Company operation, strategies, etc.	Yanghe Share Survery Activities Information on 30 Sep 2024 on www.cninfo.com.cn

XIII Development and implementation of market value management system and valuation enhancement plan

Whether the company has established a market value management system.

☒Yes ☐No

Whether the company has disclosed its valuation enhancement plan.

☐Yes ☒No

In order to strengthen the company's market value management, promote the improvement of the company's investment value, and safeguard the legitimate rights and interests of the company, investors and other stakeholders, in accordance with the "Company Law of the People's Republic of China", "Securities Law of the People's Republic of China", "Several Opinions of the State Council on Strengthening Supervision, Preventing Risks and Promoting High-quality Development of the Capital Market", "Guidelines for the Supervision of Listed Companies No. 10-Market Value Management", "Shenzhen Stock Exchange Listing Rules" and other relevant laws, administrative regulations, normative documents and the company's "Articles of Association" and other provisions, and in combination with the company's actual situation, the "Market Value Management System" was formulated. The system clarifies the market value management institutions and personnel, specific management measures, monitoring and early warning mechanisms, etc., and disclosed after being reviewed and approved at the seventh meeting of the eighth board of directors of the company on December 30, 2024.

XIV Implementation status of the 'Quality Improvement and Dual Enhancement' action plan

Whether the company disclosed the 'Quality Improvement and Dual Enhancement' action plan

☒Yes ☐No

To embody the development concept of 'investors first' for listed companies, continuously enhance the company's value creation capability and shareholder return capability, the company has formulated and disclosed the 'Quality Improvement and Dual Enhancement' action plan. For specific details, please refer to the announcement titled 'Announcement on the 'Quality Improvement and Dual Enhancement' Action Plan' disclosed by the company, on the Juchao Information Network (www.cninfo.com.cn) (Announcement No.: 2024-002). The company boosts the implement of "Quality Improvement and Dual Enhancement" action plan positively:

Firstly, focus on the main responsibilities and primary business. Facing the intricate external environment and market competition circumstance, the company practically adjusted its business strategy in line with the steady, rational and sustainable development of the enterprise to cope with the upgrading of external competition and the problems existing in its own development. Secondly, lay a solid foundation of governance. In 2024, three systems including the "Independent Director Working System" and the "Independent Director Special Conference Working System" were formulated, and 10 systems such as the "Company Articles of Association" and the "Rules of Procedure of the Audit Committee of the Board of Directors" were revised to further improve the corporate governance system. Thirdly, standardize information disclosure. By the year 2024, 79 regular reports and temporary announcements were disclosed, social responsibility reports or environmental, social and corporate governance (ESG) reports were disclosed for consecutive 14 years, and the A rating was obtained by the company in the information disclosure assessment organized by the Shenzhen Stock Exchange for twelve successive years. Fourthly, proactive communication. Interaction and communication with investors in multiple methods, hold the 2023 annual report online performance briefing and the 2023 annual shareholders' meeting, positively interacted with shareholders and investors, and deepen investors' understanding of the value of the company. Fifthly, enhancing shareholder returns. Actively share the results of corporate development achievements with investors, for the year 2023 a cash dividends of RMB 7.02 billion (tax included), accounting for 70.09% of the net profits attributable to shareholders of the listed company were delivered to investors; to ensure the further enhancement of shareholder returns, the company has formulated the "Cash Dividend Return Plan (2024-2026)" and

implemented the 2024 interim profit distribution, pay cash dividends of CNY 23.30 (tax included) per 10 shares to all shareholders, and the mid-term cash dividends subtotaled was CNY 3.51 billion (tax included). The 2024 profit distribution pre-arranged plan is based on the total existing share capital of 1,506,445,074 shares, cash dividends of CNY 23.17 (tax included) per 10 shares would like to paid to all shareholders, totally CNY 3.49 billion (tax included) would be paid. The distribution plan remains to be submitted to the general meeting of shareholder for deliberation.

For details on the specific progress of the company's " Quality Improvement and Dual Enhancement " action plan, please refer to the "Progress Announcement on the Action Plan for Quality Improvement and Dual Enhancement " disclosed by the company on April 29, 2025.

Section IV Corporate Governance

I. Basic Situation of Corporate Governance

The company has strictly been following the "Company Law", "Securities Law", "Governance Guidelines for Listed Companies", "Shenzhen Stock Exchange Listing Rules" and other laws, administrative regulations, departmental rules and normative documents. Combining the actual development of the company, the company constantly has improved its modern enterprise system and corporate governance structure. During the reporting period, the overall operation of the company was standardized and complied line with the governance requirements of listed companies.

1. Shareholders and shareholders' meetings

The responsibilities of the company's general meeting of shareholders were clear, with accurate rules of procedure and practical implementation. The calling, convening and deliberation procedures of the company's general meeting of shareholders complied with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the General Meeting of Shareholders of the Company. All shareholders were treated equally, especially to ensure that small and medium shareholders enjoy equal status and ensure that small and medium shareholders can sufficiently exercise its own rights. The board of directors of the company earnestly has implemented the resolutions of the general meeting of shareholders.

2. Directors and Board of directors

The responsibilities of the board of directors of the company were clear, and all directors could perform their duties conscientiously. The board of directors of the company elected directors in strict accordance with the selection and appointment procedures stipulated in the Company Law and the Articles of Association. The board of directors of the company currently consisted of 11 directors, 4 of which were independent directors. The composition of the board of directors conformed to the requirements of laws and regulations. The board of directors of the company strictly complied with the "Company Law", "Articles of Association" and other relevant regulations to regulate the deliberation and operation of the board of directors. All directors of the company could attend the board of directors in accordance with the "Procedure Rules of the Board of Directors", "Working System for Independent Directors" and other regulations, diligently and conscientiously reviewed each case, making scientific and reasonable decisions on major issues of the company, and earnestly safeguarding the interests of the company and the legitimate rights and interests of all shareholders. The company's board of directors consisted of four professional committees, namely the strategy committee, the nomination committee, the audit committee and the remuneration and appraisal committee. Each committee had a clear division of labor, powers and responsibilities, and given full play to its professional functions, providing scientific and professional opinion for the decision-making of the board of directors.

3. Supervisors and Board of Supervisors

The company's board of supervisors has clear responsibilities, and all supervisors can conscientiously and responsibly perform their duties. The board of Supervisors of the company election was in strict accordance with the recruitment procedures stipulated in the Company Law and the Articles of Association and etc. The board of supervisors of the company was composed of 4 supervisors, among which 2 are employees' representatives. The composition of the members of the board of supervisors met the requirements of laws and regulations. The

board of supervisors operated in strict accordance with the company law, the company's articles and other regulations, the supervisors could attend the board requested by the rules of procedure of the board of supervisors, earnestly performed their duties, effectively supervising and expressing opinions on the major issues of the company, financial status, and how the directors and President perform. Safeguarding the legitimate rights and interests of the company and shareholders was also the duty of the board of supervisors.

4. Performance appraisal and incentive and restraint mechanism

The appointment of the company's directors, supervisors and senior management personnel was open and transparent, in line with relevant laws and regulations, and a fair and transparent management performance evaluation standard and incentive and restraint mechanism have been established. During the reporting period, the company conducted a performance appraisal on the goals set by the executive suites in accordance with the annual business plan, and all the executive suites have conscientiously performed their duties.

5. Performance appraisal and incentive and restraint mechanism

The controlling shareholder of the company exercised the rights of the investor and took the obligations in strict accordance with the requirements of the Company Law. The company and the controlling shareholder separated personnel, assets and finances, with independent organization and business, accounting independently and taking responsibilities and risks independently. During the reporting period, the controlling shareholder did not directly or indirectly interfere with the company's decision-making and business activities beyond the company's general meeting of shareholders, and there was no situation where the controlling shareholder harmed the legitimate rights and interests of other shareholders of the company. There was no major related transaction between the company and its controlling shareholder, there was no phenomenon that the controlling shareholder occupies the funds of the company, and the company did not provide guarantees for the controlling shareholder and its subsidiaries.

6. Investor relations activities

The company paid great attention to the management of investor relations and actively safeguarded the legitimate rights and interest of the company's shareholders. In addition to performing information disclosure obligations diligently and honestly, the chairman, president and secretary of the board of directors maintained positive interactions with investors by receiving investor surveys, participating in online performance briefings and brokerage strategy meetings, etc. The securities department acting as a specialized relationship management agency, strengthened communication with investors through telephone, email, interactive and other methods, fully guaranteeing the investors' right to know, and safeguarding their legitimate rights and interests.

7. Stakeholders, environmental protection, social responsibility

The company fulfilled its social responsibility obligations in accordance with the requirements of social responsibility, fully respected and safeguarded the legitimate rights and interests of relevant stakeholders, realized the coordination and balance of the interests of the society, government, shareholders, the company, employees and other parties, and jointly promoted the harmonious and stable development of the company. The company advocated the governance concept of 'green brewing, ecological enterprise', integrates ecological and environmental protection requirements into the company's development strategy and corporate governance process. While maintaining the sustainable development, the company actively participated in social welfare undertakings and practices social responsibility.

8. Information disclosure and transparency

In strict accordance with the requirements of the regulatory authorities, the company earnestly implemented the "Information Disclosure Management System", "Investor Relations Management System" and others, strengthened the management of information disclosure affairs, and earnestly fulfilled its information disclosure obligations in accordance with the law, and discloses truthfully, accurately, completely, timely and fairly. information, ensuring that all shareholders have equal access to information.

9 Continue to improve the internal management system

The company continued to improve the internal control system, further strengthen corporate governance, so that the level of corporate governance has been further improved. The audit committee of the company comprehensively reviewed and supervised the effectiveness of the company's financial reporting, internal control and corporate governance. As an internal audit unit, the company's audit center conductd routine and continuous supervision and inspection for the improvement and implementation of the internal control system, timely discoverd and improved the deficiencies of internal control, ensured the effectiveness of internal control, and improved the company's operation and management level and risk prevention ability.

Is the actual situation of corporate governance significantly different from laws, administrative regulations and regulations on listed company governance issued by the CSRC?

☐ Yes ☒ No

The actual situation of corporate governance is not significantly different from laws, administrative regulations and regulations on listed company governance issued by the CSRC.

II Company's Independence in Assets, Personnel, Finances, Organizations and Businesses from Controlling Shareholders and Actual Controller

The company has a complete independent production and management system, and independent decision-making management ability, covering business, personnel, assets, organizations and finance five aspects.

1. For business aspect

The company's business structure is independent and complete, with the ability to independently face the market and operate independently. There is no horizontal competition with the controlling shareholder, and the controlling shareholder does not directly or indirectly interfere with the company's operations.

2. For personnel aspect

The company has established an independent personnel and wage management system, and signed a "labor contract" with employees. The chairman, president, vice president, chief financial officer and secretary of the board of directors of the company receive remuneration from the company, but do not receive remuneration from the controlling shareholder. The directors, supervisors and senior management of the company do not hold positions prohibited by laws and regulations in other companies with the same or similar business as the company.

3. For assets aspect

The company has a clear property relationship with the controlling shareholder, has independent land use rights and housing property rights, and independently registers, builds accounts, accounts and manages company assets.

The controlling shareholder has not occupied or dominated the company's assets or interfered with the company's operation and management of the assets.

4. For organization aspect

The company has a mature organizational system. The general meeting of shareholders, the board of directors, the board of supervisors, the management and each functional department operate independently, and a corresponding internal management and control system has been formulated, so that the division of labor among each department is clear, and each department performs its own duties. The cooperation with each other forms an organic whole, which ensures the legal operation of the company, and there is no subordination relationship with the controlling shareholder's functional department.

5. For finance aspect

The company has a complete and independent financial institution, equipped with sufficient full-time financial accounting personnel, established an independent accounting system and financial management system, and independently opened bank accounts, paid taxes, and made financial decisions independently. The controlling shareholder does not intervene in the financial management of the company.

III. Competition in the same industry

☐Applicable ☒N/A

IV. Annual general meeting and extraordinary general meeting held during the reporting period

1. Shareholders' general meeting during the reporting period

Which Session	Type	Investor Participation Ratio	Open Date	Disclose Date	Meeting Outcome
2024 1 st Extraordinary General Meeting of Shareholders	Extraordinary general meeting of Shareholders	73.27%	April 02,2024	April 03,2024	For details, please refer to the "Announcement on Resolutions of the 2024 1st Extraordinary General Meeting of Shareholders " (Announcement No.: 2024-010)
2023 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	73.70%	June 07, 2024	June 08, 2024	For details, please refer to the "Announcement on Resolutions of the 2023 Annual General Meeting of Shareholders" disclosed by the company in the statutory

					information disclosure media (Announcement No.: 2024-027)
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2. Preference shareholders with restored voting rights request to convene an extraordinary general meeting

☐Applicable ☒N/A

V. Directors, Supervisors and Senior Managers

1. Basic situation

Name	Gender	Age	Position	Service status	Term Start Date	Term End Date	Number of shares held at the beginning of the period (shares)	Number of Shares increased in current period (Shares)	Number of Shares decreased in current period (Shares)	Other Increase or decrease changes (shares)	Number of shares held at the end of the period (shares)	Reasons
Zhang Liandong	Male	57	Chairman	Incumbent	February 23, 2021	April 02, 2027	0	0	0	0	0	
Zhong Yu	Male	61	Vice Chairman, President	Incumbent	February 10, 2015	April 02, 2027	0	0	0	0	0	
Yang Weiguo	Male	51	Director	Incumbent	May 30, 2022	April 02, 2027	0	0	0	0	0	
Xu Jun	Male	49	Director	Incumbent	January 15, 2025	April 02, 2027	0	0	0	0	0	
Chen Jun	Male	49	Director, Vice President	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	

Zheng Bujun	Male	58	Director	Incumbent	April 02, 2024	April 02, 2027	45,000	0	0	0	45,000	
Dai Jianbing	Male	54	Director	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	
Nie Yao	Male	48	Independent Director	Incumbent	February 23, 2021	April 02, 2027	0	0	0	0	0	
Lu Guoping	Male	65	Independent Director	Incumbent	February 23, 2021	April 02, 2027	0	0	0	0	0	
Mao Lingxiao	Male	61	Independent Director	Incumbent	February 23, 2021	April 02, 2027	0	0	0	0	0	
Hong Jinming	Male	44	Independent Director	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	
Lin Qing	Female	50	Chairman of the Supervisory Board	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	
Ma Wenxiang	Male	48	Supervisor	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	

Jin Yaguang	Male	49	Supervisor	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	
Huang Jinhua	Male	55	Supervisor	Incumbent	April 02, 2024	April 02, 2027	0	0	0	0	0	
Yin Qiuming	Male	53	Vice President, CFO	Incumbent	July 13, 2020	April 02, 2027	0	0	0	0	0	
Li Yuling	Male	55	Vice President	Incumbent	July 13, 2020	April 02, 2027	0	0	0	0	0	
Fan Xiaolu	Male	41	Vice President	Incumbent	November 10,2023	April 02, 2027	0	0	0	0	0	
Chen Taisong	Male	57	Vice President	Incumbent	November 10,2023	April 02, 2027	0	0	0	0	0	
Zhang Xueqian	Male	56	Vice President	Incumbent	November 10,2023	April 02, 2027	0	0	0	0	0	
Song Zhimin	Female	50	Vice President	Incumbent	November 10,2023	April 02, 2027	0	0	0	0	0	

Lu Hongzhen	Female	47	Board Secretary	Incumbent	February 23, 2021	April 02, 2027	0	0	0	0	0	
Wang Kai	Male	48	Director	Leaving office	May 19, 2017	July 26, 2024	2,400	0	0	0	2,400	
Zhao Shuming	Male	73	Independent Director	Leaving office	February 23, 2021	April 02, 2024	0	0	0	0	0	
Chen Taiqing	Male	60	Chairman of the Supervisory Board	Leaving office	July 13, 2020	April 02, 2024	0	0	0	0	0	
Xu Youheng	Male	48	Supervisor	Leaving office	May 23, 2019	August 19, 2024	0	0	0	0	0	
Xu Lili	Female	46	Supervisor	Leaving office	February 23, 2021	April 02, 2024	0	0	0	0	0	
Chen Fuya	Male	60	Supervisor	Leaving office	July 06, 2020	April 02, 2024	0	0	0	0	0	
Total	--	--	--	--	--	--	47,400	0	0	0	47,400	--

During the reporting period, is there any resignation of directors and supervisors and dismissal of senior managers during their term of office?

☒Applicable ☐N/A

During the reporting period, Mr. Zhao Shuming resigned from the position as Independent Director upon expiration of his term; Mr. Chen Taiqing resigned from the position as Chairman of the Supervisory Board upon expiration of his term; Ms. Xu Lili and Mr. Chen Fuya resigned from the position as Supervisors upon expiration of their terms. Mr. Wang Kai resigned from his position as Director due to job reassignment, and Mr. Xu Youheng resigned from his position as Supervisor due to job reassignment.

Changes in directors, supervisors and senior management of the company

☒Applicable ☐N/A

Name	Position	Type	Date	Reasons
Wang Kai	Director	Leaving office	July 26, 2024	job reassignment
Zhao Shuming	Independent Director	Retired upon expiration of term	April 02, 2024	expiration of term
Chen Taiqing	Chairman of the Supervisory Board	Retired upon expiration of term	April 02, 2024	expiration of term
Xu Youheng	Supervisor	Leaving office	August 19, 2024	job reassignment
Xu Lili	Supervisor	Retired upon expiration of term	April 02, 2024	expiration of term
Chen Fuya	Supervisor	Retired upon expiration of term	April 02, 2024	expiration of term

2. Situation of Employers

The professional background, main work experience and main responsibilities of the current directors, supervisors and senior management of the company

(1) Directors

Mr. Zhang Liandong, born in September 1968, master degree from the Party School, deputy to the National People's Congress. He successively served as director of the Management Committee of Sucheng District Economic Development Zone, Deputy Director of the Sucheng District, member of the Standing Committee of the Sucheng District Committee, secretary of the Party Working Committee of Sucheng Economic Development Zone, deputy secretary-general of the Suqian Municipal Government, director of the Suqian City Administration Bureau, deputy secretary-general of Suqian Municipal Government (section level), secretary of the Party and Working Committee of Suqian City's Yanghe New District, chairman of Sujiu Group Trading Co., Ltd. He is currently the company's the Party secretary and chairman of the board of directors, chairman of Jiangsu Shuanggou Wine Co., Ltd.

Mr. Zhong Yu, born in May 1964, master degree, Chinese Brewmaster, a master of Chinese liquor, a senior engineer, and a representative of the 13th and the 14th Jiangsu Provincial People's Congress. He successively served as the director of the technical department, the director of the environmental protection department, director of the Production Technology Division and minister of the Production Technology Department, and the director of the technology center of Jiangsu Shuanggou Winery; the deputy chief engineer, assistant to the general manager, brewing director, assistant to the president, vice president, general manager of Siyang Co., Ltd. ; general manager of Yanghe Co., Ltd. He is currently the deputy secretary of the party committee, vice chairman and president of the company.

Mr. Yang Weiguo, born in February 1974, bachelor degree and master degree. He has served as Standing Committee member of Siyang County Party Committee, Minister of Publicity Department, member of Party

Leading Group of County government, deputy county head, deputy secretary-general of Suqian Municipal Party Committee, deputy director of Suqian Reform Office, Party Secretary and President of Suqian Daily. He is currently secretary of the party committee and chairman of Suqian Industrial Development Group Co., LTD., chairman of Jiangsu Yanghe Group Co., LTD., and chairman of Jiangsu Shuanggou Group Co., LTD.

Mr. Xu Jun, born in April 1976, holds a master's degree and is a Certified Intermediate Economist. He previously served as Assistant General Manager and Deputy General Manager (deputy division level) of Shanghai Tobacco Trade Center Co., Ltd. He is currently a Director of the Company. Deputy General Manager of Shanghai Haiyan Logistics Development Co., Ltd., and a Director of Shanghai Tobacco Group Huangpu Tobacco, Liquor & Sugar Co., Ltd., Shanghai Tobacco Group Xuhui Tobacco, Liquor & Sugar Co., Ltd., Shanghai Tobacco Group Minhang Tobacco, Liquor & Sugar Co., Ltd., and Shanghai Tobacco Group Fengxian Tobacco, Liquor & Sugar Co., Ltd.

Mr. Chen Jun, born in January 1976, is a graduate of the Party School with a master's degree and holds the title of Senior Economist. He has served in various positions, including Deputy Director of the Accounting and Accounting Center of Suqian Finance Bureau, Vice President (Deputy Department-level) of the Chinese Accounting Correspondence College Suqian Branch, Director and Deputy Director of the Financial Work Office of Suqian Municipal People's Government, Member of the Party Working Committee and Deputy Director (on secondment) of the Management Committee of Suqian Economic and Technological Development Zone, Deputy Secretary of the Party Working Committee. He served as Deputy Party Secretary, Director, and General Manager of Suqian Industrial Development Group Co., Ltd.; Director of Jiangsu Yanghe Group Co., Ltd. He serves as the Deputy Secretary of the Party Committee, Director, and Vice President of the company, as well as the Chairman of Sujiu Group Trading Co., Ltd.

Mr. Zheng Bujun, born in January 1967, holds an MBA degree and the title of Senior Engineer. He has served as the General Manager of Jiangsu Yanghe Group Co., Ltd., General Manager of Suqian State-owned Assets Investment Management Co., Ltd., member of the Party Committee, director, and Deputy General Manager of Jiangsu Shuanggou Liquor Co., Ltd., as well as the Director of the company. He has also held positions within the company including Director of Procurement and Logistics, President's Assistant, member of the Party Committee, and Vice President. Currently, he is a member of the Party Committee and Director of the company, as well as the Party Secretary and General Manager of the company's Siyang Branch.

Mr. Dai Jianbing, born in September 1971, holds an associate degree. He has served in various positions, including Deputy Director of the Office of Jiangsu Yanghe Group Co., Ltd., Manager of the Suqian, Zhenjiang, and Suzhou Branches of Yanghe Sales Company, Deputy General Manager and General Manager of the East China Marketing Center of Sujiu Group Trading Co., Ltd., Sales Director and General Manager of Jiangxi Region and Southern Jiangsu Region, as well as Vice General Manager and General Manager of Shandong Region. Currently, he serves as a director of the company and Vice General Manager and General Manager of the Huan Su Region of Sujiu Group Trading Co., Ltd.

Mr. Nie Yao, born in June 1977, holds a doctorate degree. He has served as a visiting scholar at the Advanced Biotechnology and Medical Center of Rutgers University (State University of New Jersey), an associate professor at the School of Bioengineering, Jiangnan University, and an independent director of Jinhui Liquor Co., Ltd. He is currently an independent director of the company, subdean and professor of the School of Bioengineering, Jiangnan University.

Mr. Lu Guoping, born in March 1960, bachelor degree, professor of accounting, CPA outstanding educator in Jiangsu Province. He has successively served as lecturer, associate professor, director of teaching and research section of the School of Engineering of Nanjing Agricultural University. He has been an independent director of listed companies such as Anhui Shenjian New Materials Co., Ltd., Langbo Sealing Technologies Co., Ltd., Huaxin New Material Co., Ltd., Research Institute of Building Sciences Group Co., Ltd., and a director of Lamborghini. Currently he is the independent director of Yanghe Brewery, the professor and master tutor of the National Wealth Auditing College of Nanjing Audit University, the lead Instructor of the National First-class Undergraduate Course (Online and Blended) "Advanced Financial Accounting" and the national first-class Head of the undergraduate course "Advanced Financial Accounting", independent director of Baosheng Technology Innovation Co., Ltd. and Suzhou Lianxun Instrument Co., Ltd.

Mr. Mao Lingxiao, born in January 1964, bachelor's degree, first-class lawyer (Senior professional title). He has served as a staff member of the Jiangsu Provincial Department of Justice, a full-time lawyer of Jiangsu International Economic and Trade Law Firm, a senior partner and director of Jiangsu Lingxiao Law Firm, a senior partner of Jiangsu Jinding Law Firm, and a senior partner and director of Jiangsu Tianzhe Law Firm. Full-time lawyer, senior partner and executive director of Beijing Zhongyin (Nanjing) Law Firm. He is currently an independent director of the company, Independent Director of Hicin Pharmaceutical Co., Ltd., a full-time lawyer, senior partner and chairman of the partner meeting of Beijing Haotian (Nanjing) Law Firm.

Mr. Hong Jinming, born in October 1981, holds a Ph.D. and is an associate researcher and doctoral supervisor. He has served as Credit Manager at the Beijing Development Zone Branch of Agricultural Bank of China Limited, Product Manager at the Planning and Accounting Department of the Beijing Branch, and Senior Specialist (Chief Clerk) at the Head Office of Agricultural Bank of China. Currently, he serves as an independent director of the company, Wuzhou Specialty Paper Co., Ltd., Deputy Director of the Financial and Accounting Research Center at the Chinese Academy of Fiscal Sciences, and an independent director of companies such as Aibru and EarthView Image Co., Ltd.

(2) Supervisors

Ms. Lin Qing, born in May 1975, master's degree, senior accountant and certified public accountant. She successively served as deputy director of the Enterprise Division of Suqian Finance Bureau of Jiangsu Province, assistant to the director of the Municipal Price Bureau, member and deputy director of the Suqian Party Committee of the Municipal Development and Reform Commission, member of the Standing Committee of the Party Committee of the company, vice president of the company, and head of the internal audit of the company. She is currently a member of the Standing Committee of the company's party committee, vice chairman of Sujiu Group Trading Co., Ltd.

Mr. Ma Wenxiang, born in September 1977, holds a bachelor's degree and is a junior economist. He has served as an investment manager at Shanghai Jiangju Investment Company, officer at the Asset Department and Deputy Director of the General Office at Shanghai Ruitai Investment Development Company, Director of the Party Committee Office and Director of the Party Work Department at Shanghai Sugar, Tobacco (Group) Co., Ltd., committee member and secretary of the committee at Shanghai Jieqiang Tobacco, Sugar, and Liquor (Group) Co., Ltd., as well as Deputy General Manager. Currently, he serves as a supervisor of the company, Deputy Secretary of the Party Committee and General Manager of Shanghai Jieqiang Tobacco, Sugar, and Liquor (Group) Co., Ltd., and a director of Shanghai Haiyan Logistics Development Co., Ltd.

Mr. Jin Yaguang, born in July 1976, holds a bachelor's degree. He has served as the Director of the Office and member of the Party Committee at Jiangsu Shuanggou Liquor Co., Ltd., Director of the Office, Director of the Party Committee Office, and Minister of the Organization Department at the company, Administrative Director and Director of the Office at the Yanghe Branch of the company, General Manager of the Procurement and Logistics Center, and General Manager of the Supply Chain Management Center. Currently, he serves as a supervisor of the company and General Manager of the North China Region and Beijing Branch of Sujiu Group Trading Co., Ltd.

Mr. Huang Jinhua, born in September 1970, holds a secondary school education. He has served as the head of the General Dispatching Office, Director of the Equipment Department, and Deputy Director of the Thermal Power Plant at Jiangsu Yanghe Group Co., Ltd., Manager of the Xuzhou Branch and Yancheng Branch at Yanghe Sales Company, General Manager of the Yanlian Huaitong Region, Tianjin-Hebei Region, Hebei Region, Sutong Region, and Sales Director at Sujiu Group Trading Co., Ltd., Deputy General Manager and General Manager of Shuanggou Shandong Sales Co., Ltd., as well as General Manager of the Xuzhou Division at Jiangsu Shuanggou Liquor Sales Co., Ltd. Currently, he serves as Currently a supervisor and marketing director of the Company, Deputy General Manager and General Manager of the Xuzhou Division at Jiangsu Shuanggou Liquor Sales Co., Ltd.

(3) Executives

Mr. Zhong Yu, President of the company, the same resume as above.

Mr. Chen Jun, Vice president of the company, the same resume as above.

Mr. Yin Qiuming, born in July 1972, college's degree, auditor. He successively served as Assistant to the Director of Audit, Director of Audit, Deputy Secretary of the Disciplinary Committee of Jiangsu Yanghe Group Co., Ltd., Director of the Company's Management Department, Deputy General Manager of Jiangsu Yanghe Sales Co., Ltd., Deputy General Manager, Party Committee Member, Financial Officer of Jiangsu Yanghe Wine Co., Ltd. Minister, company supervisor, deputy secretary of the Disciplinary Committee, deputy general manager of the company's Yanghe branch, finished product scheduling director, financial director, financial director, and general manager of the financial center. He is currently the vice president and CFO of the company.

Mr. Li Yuling, born in December 1970, master's degree in MBA from Nanjing University, intermediate economist. He successively served as the assistant to the director of the supply department, the assistant to the director of the finance department, the deputy chief dispatcher of the general dispatching room, the director of the supply department, the director of the company's supply department, the assistant to the general manager of Yanghe Branch, the director of procurement and logistics, and the director of supply chain management in Jiangsu Yanghe Group Co., Ltd. , Deputy Director and Office Director of the Procurement and Supply Logistics Center. He is currently the vice president of the company, secretary of the party committee and general manager of Jiangsu Shuanggou Wine Co., Ltd.

Mr. Fan Xiaolu, born in November 1984, holds a master's degree. He has served as a director, Deputy General Manager, and member of the Party Committee at Suqian Industrial Development Group Co., Ltd., a director at Jiangsu Yanghe Group Co., Ltd., Chairman and General Manager at Jiangsu Huaihai Finance Leasing Co., Ltd., a director at Suqian Financial Asset Management Co., Ltd., an executive director and General Manager at Suqian Science and Technology Venture Investment Co., Ltd., General Manager at Jiangsu Shuanggou Liquor Sales Co., Ltd.,

and Assistant to the President of the company. Currently, he serves as Vice President of the company, General Manager of Jiangsu Shuanggou Liquor Co., Ltd., Executive Director and Party Branch Secretary of Jiangsu Shuanggou Liquor Sales Co., Ltd.

Mr. Chen Taisong, born in January 1968, master's degree. He has successively served as a member and secretary of the Legislative Bureau of Siyang County Government, Secretary of the Office of the Siyang County Government Office, Deputy Section Chief, Section Chief, Director Assistant, Deputy Director, Siyang County Chief of Chuancheng Town, Secretary of the Party Committee, Jiangsu Sujiu Industrial Co., Ltd. Deputy Secretary, Secretary of the Discipline Inspection Commission, Chairman of the Supervisory Board, Deputy Secretary of the Discipline Inspection Commission, Standing Committee of the Party Committee and Organization Minister of the company, Deputy Secretary of the Party Committee of Sujiu Group Trading Co., Ltd., Secretary of the Discipline Inspection Commission, and Chairman of the Supervisory Board. He is currently a member of the Standing Committee of the Party Committee, Supervisor, Chairman of Guijiu Co., Ltd.

Mr. Zhang Xueqian, born in November 1969, holds a bachelor's degree. He has served as the Deputy Director of the Sales Department at Jiangsu Yanghe Group Co., Ltd., Deputy Director of the Product Department at Jiangsu Yanghe Liquor Co., Ltd., Marketing Department Director, Product Department Manager, Manager of Strategic Research Department, and Vice President of the company at Jiangsu Yanghe Sales Co., Ltd. He also held positions such as Party Committee Member and Vice President at Sujiu Group Trading Co., Ltd., General Manager of Jiangsu Shuanggou Liquor Sales Co., Ltd., and Assistant to the President. Currently, he serves as Vice President and Chief Product Officer of the company, Vice President of Sujiu Group Trading Co., Ltd., and Chairman of Tibet Earth Third Pole Liquor Co., Ltd.

Ms. Song Zhimin, born in October 1975, holds a master's degree. She has worked as a Regional Manager in the Sales Department, Deputy Office Director, and Marketing Department Director at Jiangsu Yanghe Group Co., Ltd. She also served as the Head of the Management Department, Assistant General Manager at Jiangsu Yanghe Liquor Co., Ltd., Deputy General Manager of the Yanghe Branch of the company, Party Committee Member, Assistant to the President, Director of Management, Director of Strategic Research, and General Manager of Management Center and Strategic Research Center. Currently, she is Vice President and Director of Management of the company and General Manager of the Yanghe Branch.

Ms. Lu Hongzhen, born in October 1978, holds a bachelor's degree, is a member of the China Democratic League, and has obtained the Board Secretary Qualification Certificate issued by the Shenzhen Stock Exchange. She has served as the Secretary of the Office, Deputy Minister of the Comprehensive Department, Deputy Director of the Office, Director of the Securities Department, Securities Affairs Representative, and General Manager of the Human Resources Center at Yanghe Co., Ltd. Currently, she is the Secretary of the Board of Directors and Deputy Director of Human Resources of the company.

Positions in shareholder corporations

☒Applicable ☐N/A

Name of employee	Shareholder name	Position held in the shareholder company	Term start date	Term end date	Whether to receive remuneration allowance in the shareholder company

Yang Weiguo	Jiangsu Yanghe Group Co., Ltd	Chairman	January 18, 2022		NO
Xu Jun	Shanghai HAIYAN Logistics Development Co.,Ltd.	Vice General Manager	July 30, 2024		YES
Ma Wenxiang	Shanghai Jieqiang Tobacco, Sugar, and Alcohol (Group) Co., Ltd.	Party Committee Secretary and General Manager	October 12, 2024		YES
Ma Wenxiang	Shanghai Haiyan Logistics Development Co., Ltd.	Director	March 09, 2022		NO

Employments in other corporations

☒Applicable ☐N/A

Name of employee	Other corporation name	Positions held in other companies	Term start date	Term end date	Whether to receive remuneration allowances in other companies
Yang Weiguo	Suqian Industry Development Group Co., Ltd.	Secretary of the Party Committee, Chairman	January 18,2022		YES
Yang Weiguo	Jiangsu Shuanggou Group Co., Ltd.	Chairman	January 18,2022		NO
Xu Jun	Shanghai Tobacco Group Huangpu Tobacco, Sugar & Wine Co.	Director	January 18,2023		NO
Xu Jun	Shanghai Tobacco Group Xuhui Tobacco, Sugar & Wine Co.	Director	January 18,2023		NO
Xu Jun	Shanghai Tobacco Group Minhang Tobacco, Sugar & Wine Co.	Director	January 18,2023		NO
Xu Jun	Shanghai Tobacco Group Fengxian Tobacco, Sugar & Wine Co.	Director	January 18,2023		NO
Nie Yao	Jiangnan University	Vice Dean and Professor of Bioengineering Students	June 10, 2020		YES
Lu Guoping	Nanjing Audit University	Professor of Guofu Zhongxin College	March 02, 2020		YES
Lu Guoping	Changzhou Langbo Sealing Technology Co.,	Director	February 22, 2022	February 28, 2025	YES

	Ltd.				
Lu Guoping	Baosheng Technology Innovation Co., Ltd.	Independent Director	May 9, 2019		YES
Lu Guoping	Changzhou Academy of Architecture and Technology Co., Ltd.	Independent Director	July 6, 2020	January 05, 2024	YES
Lu Guoping	Suzhou Lianxun Instrument Co., Ltd.	Independent Director	December 17, 2022		YES
Mao Lingxiao	Beijing Hylands (Nanjing) Law Firm	Full-time lawyer, senior partner, chairman of the partnership meeting	January 1, 2021		YES
Mao Lingxiao	Nanjing Haichen Pharmaceutical Co., Ltd.	Independent Director	May 15, 2023		YES
Hong Jinming	Chinese Academy of Fiscal Sciences	Deputy Director of the Research Center for Finance and Accounting	May 31, 2018		YES
Hong Jinming	Quzhou Wuzhou Special Paper Co., Ltd.	Independent Director	July 01, 2021	April 29, 2024	YES
Hong Jinming	Hunan Aibulu Environmental Protection Technology Co., Ltd.	Independent Director	September 30, 2023		YES
Hong Jinming	Beijing Guoyao New World Information Technology Co., Ltd.	Independent Director	October 10, 2021		YES

Penalties imposed by securities regulators on current and outgoing directors, supervisors and senior managers of the company in the past three years

☐ Applicable ☒ N/A

3. Remuneration of directors, supervisors and senior managers

Decision-making procedures, basis for determination and actual payment of remuneration for directors, supervisors and senior managers

Decision procedure: The remuneration shall be implemented based on the cases “Adjusting the Allowance of Independent Directors” approved by the Company's 2020 Annual General Meeting of Shareholders and “Compensation and Assessment Management Measures for Members of Management Team” approved by the Company's 2021 Annual General Meeting of Shareholders.

Determination basis: According to the company's current business situation, reference to the regional economic level, industry and market level.

Actual payment: Paid on time according to the corporate's performance and compensation institutions.

Remuneration of directors, supervisors and senior managers during the reporting period

Unit: CNY10,000

Name	Gender	Age	Position	Employed or not	Total pre-tax compensation received from the company	Whether to obtain remuneration from related parties of the company
Zhang Liandong	Male	57	Chairman	Incumbent	157.59	NO
Zhong Yu	Male	61	Vice Chairman, President	Incumbent	157.77	NO
Yang Weiguo	Male	51	Board Director	Incumbent	0	YES
Xu Jun	Male	49	Board Director	Incumbent	0	YES
Chen Jun	Male	49	Board Director, Vice President	Incumbent	121.43	NO
Zheng Bujun	Male	58	Board Director	Incumbent	125.55	NO
Dai Jianbing	Male	54	Board Director	Incumbent	102.57	NO
Nie Yao	Male	48	Independent Director	Incumbent	10	NO
Lu Guoping	Male	65	Independent Director	Incumbent	10	NO
Mao Lingxiao	Male	61	Independent Director	Incumbent	10	NO
Hong Jinming	Male	44	Independent Director	Incumbent	7.5	NO
Lin Qing	Female	50	Chairman of the Supervisory Committee	Incumbent	125.36	NO
Ma Wenxiang	Male	48	Supervisor	Incumbent	0	YES
Qin Yaguang	Male	49	Supervisor	Incumbent	112.94	NO
Huang Jinhua	Male	55	Supervisor	Incumbent	112.71	NO
Yin Qiuming	Male	53	Vice President, CFO	Incumbent	125.47	NO
Li Yuling	Male	55	Vice President	Incumbent	129.18	NO
Fan Xiaolu	Male	41	Vice President	Incumbent	121.44	NO

Chen Taisong	Male	57	Vice President	Incumbent	129.28	NO
Zhang Xueqian	Male	56	Vice President	Incumbent	121.42	NO
Song Zhimin	Female	50	Vice President	Incumbent	125.4	NO
Lu Hongzhen	Female	47	Secretary of the Board	Incumbent	85.28	NO
Wang Kai	Male	48	Board Director	Leaving office	0	YES
Zhao Shuming	Male	73	Independent Director	Leaving office	2.5	NO
Chen Taiqing	Male	60	Chairman of the Supervisory Committee	Leaving office	32.41	NO
Xu Youheng	Male	48	Supervisor	Leaving office	0	YES
Xu Lili	Female	46	Supervisor	Leaving office	0	YES
Chen Fuya	Male	60	Supervisor	Leaving office	31.48	NO
Total	--	--	--	--	1,957.28	--

VI. Directors' performance of duties during the reporting period

1. The Board of Directors during the Reporting Period

Session	Open Date	Disclose Date	Resolution
The Twentieth Session of the Seventh Board of Directors	February 05,2024	February 06, 2024	For details, please refer to the "Announcement of the Twentieth Session of the Seventh Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-001).
The Twenty-first Session of the Seventh Board of Directors	March 15, 2024	March 16,2024	For details, please refer to the "Announcement of the Twenty-first Session of the Seventh Board of Directors" disclosed by

			the company in the statutory information disclosure media (Announcement No. 2024-004).
The First Session of the eighth Board of Directors	April 02,2024	April 03,2024	For details, please refer to the "Announcement of the First Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-011).
The Second Session of the eighth Board of Directors	April 25,2024	April 27,2024	For details, please refer to the "Announcement of the Second Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-013).
The Third Session of the eighth Board of Directors	May 15,2024	May 16,2024	For details, please refer to the "Announcement of the Third Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-024).
The Fourth Session of the eighth Board of Directors	August 09,2024	August 10,2024	For details, please refer to the "Announcement of the Fourth Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-030).
The Fifth Session of the eighth Board of Directors	August 28,2024	August 30,2024	For details, please refer to the "Announcement of the Fifth Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-033).
The Sixth Session of the eighth Board of Directors	October 29,2024	October 31,2024	For details, please refer to the "Announcement of

			the Sixth Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-038).
The Seventh Session of the eighth Board of Directors	December 30,2024	December 31,2024	For details, please refer to the "Announcement of the Seventh Session of the eighth Board of Directors" disclosed by the company in the statutory information disclosure media (Announcement No. 2024-039).

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

Attendance of Directors at Board of Directors and General Meetings of Shareholders							
Name of Directors	The number of times they should attend the board of directors during the reporting period	Number of on-site board attendance	Number of board meetings by means of communication	Number of proxy attendance at the board of directors	Amounts of absences from the Board of Directors	Whether not attended two consecutive board meetings in person	Amounts of attendance at shareholder meetings
Zhang Liandong	9	7	2	0	0	NO	2
Zhong Yu	9	8	1	0	0	NO	2
Yang Weiguo	9	4	5	0	0	NO	2
Chen Jun	7	4	3	0	0	NO	2
Zhen Bujun	7	2	5	0	0	NO	2
Dai Jianbing	7	3	4	0	0	NO	2
Nie Yao	9	2	7	0	0	NO	2
Lu Guoping	9	4	5	0	0	NO	2
Mao Lingxiao	9	4	5	0	0	NO	2
Hong Jinming	7	2	5	0	0	NO	1
Wang Kai	5	3	2	0	0	NO	2
Zhao Shuming	2	0	2	0	0	NO	0

Explanation of two consecutive absences from attending the board of directors in person

N/A

3. Circumstances where directors raise objections to company-related matters

Were there any objections on related issues of the Company from directors?

☐ Yes ☒ No

During the reporting period, there is no objections on related issues of the Company from directors.

4. Other instructions for directors to perform their duties

Were there any suggestions from directors accepted by the Company?

☒ Yes ☐ No

The statement on whether the director's recommendation to the company's proposal has been adopted or not

During the reporting period, the directors of the Company in accordance with the relevant requirements of “the Company Law”, “the Securities Law”, “the Articles of Association” and other laws, regulations and rules, carried out various work diligently and responsibly, provided reasonable opinions and suggestions for the company's business decisions, and effectively safeguarded the interests of the company and all shareholders.

VII. The special committees under the board of directors during the reporting period

Committee name	Members	Number of meetings held	Opening date	Content of meeting	Important comments and suggestions	Other performance of duties	Specific circumstances of the objection (if any)
Strategy Committee	Zhang Liandong, Zhong Yu, Yang Weiguo, Chen Jun, Lu Guoping	1	April 22, 2024	"2023 Annual Business Operation Report", "2024 Annual Business Plan"			
Nomination Committee	Nie Yao, Zhang Liandong, Mao Lingxiao	1	March 13, 2024	"Proposal for the Re-election of the Board of Directors"			
Nomination Committee	Nie Yao, Zhang Liandong, Mao Lingxiao	1	March 28, 2024	"Proposal on the Appointment of Senior Management Personnel of the Company", "Proposal on the Appointment of			

				the Head of the Internal Audit Department of the Company", "Proposal on the Appointment of the Securities Affairs Representative of the Company"			
Nomination Committee	Nie Yao, Zhang Liandong, Mao Lingxiao	1	October 24, 2024	"Proposal on the Nomination of Mr. Xu Jun as a Non-independent Director Candidate for the Eighth Session of the Board of Directors of the Company"			
Remuneration and Appraisal Committee	Hong Jinming, Nie Yao, Lu Guoping	1	April 23, 2024	"Performance and Compensation Implementation of the Company's Management Team in 2023"			
Audit Committee	Lu Guoping, Mao Lingxiao	1	February 03, 2024	"The 2023 Annual Financial Statements Audit Work Plan", "Summary of the 2023 Annual Internal Audit Work and the 2024 Work Plan"	The report recommends leveraging big data technologies to further enhance audit efficiency.		
Audit Committee	Lu Guoping, Mao Lingxiao	1	March 26, 2024	"Resolution on the Appointment of the Head of Finance and the Head of the Internal Audit Organization of the Company"			
Audit Committee	Lu Guoping, Mao Lingxiao, Hong	1	April 23, 2024	"2023 Annual Internal Control Self-Evaluation Report", "Proposal on			

	Jinming			Confirming Routine Related Party Transactions for 2023 and Anticipated Routine Related Party Transactions for 2024", "First Quarter 2024 Internal Audit Work Report", "Draft Audit Report for the Year 2023", "2023 Annual Financial Settlement Report", "First Quarter 2024 Financial Accounting Statements", "Status of 2023 Annual Financial Statements Audit Work", "Assessment Report on the Performance of the Accounting Firm in 2023", "Report of the Board Audit Committee on the Supervision of the Accounting Firm's Performance in 2023", "Proposal on the Change of Accounting Firm"			
Audit Committee	Lu Guoping, Mao Lingxiao, Hong Jinming	1	August 26, 2024	Reviewed the "First Half of 2024 Internal Audit Work Report" "2024 Interim Financial Statements"	The report recommends that internal audit personnel participate in various business		

					training programs to continuously improve their overall competence and professional capabilities.		
Audit Committee	Lu Guoping, Mao Lingxiao, Hong Jinming	1	October 25, 2024	Reviewed the "Third Quarter 2024 Internal Audit Work Report" "2024 Third Quarter Financial Statements"			

VIII. Performance of Duties by the Supervisory Committee

Were there any risks to the Company identified by Board of Supervisors when performing its duties during the reporting period?

☐ Yes ☒ No

The Supervisory Committee has no objection to the supervision matters during the reporting period.

IX. Staff in the Company

1. Statistics of Employees, Professional Structure of the Staff, and Educational Background

Number of on-the-job employees of the parent company at the end of the reporting period (person)	11,341
Number of on-the-job employees of major subsidiaries at the end of the reporting period (person)	10,191
Total number of on-the-job employees at the end of the reporting period (person)	21,532
The total number of employees receiving salary in the current period (person)	21,532
Number of retired employees (persons) that the parent company and major subsidiaries need to pay	0
Professional Composition	
Professional Composition Category	Professional composition number (person)
Production staff	10,278
Sales staff	6,626
Technical staff	2,009
Financial staff	227
Administration staff	2,392
Total	21,532
Education Level	
Educational level category	Quantity (person)

Master	494
Bachelor	5,048
College	4,922
Senior High School and below	11,068
Total	21,532

2. Salary Policy

The salary of the company's employees is composed of basic salary, performance salary and profit increment sharing award. All departments of the company implement a post-self-organization mechanism, and revised the "Administrative Measures for Post-Self-organization" to further improve the quantity, quality, efficiency and economic value of work. It has established quantifiable and assessable indicators to encourage employees to be spontaneous, improve their work efficiency, and improve the company's management level in order to achieve a win-win situation between the company and its employees.

3. Training Program

The company adheres to the incentive philosophy of "encouraging innovators, urging laggards, and promoting hard workers." In 2024, the Company continued to strengthen the "Leadership Academy, Marketing Academy, Customer Academy, and Craftsman Academy," with the aim of broadening the vision of senior management, enhancing the execution capability of middle management, and improving the skills of frontline staff, thereby deepening the development of the leadership team. Guided by the overarching principle of "putting the market at the center, empowering marketing with full strength, and contributing to overall development," the Company actively promoted the cultivation of market-oriented talent. Through the approach of "establishing mechanisms, focusing on training, building platforms, and promoting growth," targeted support was provided to empower distributors. With the goal of developing a knowledgeable, skilled, and innovative workforce, the Company continuously optimized the structure and competence levels of technical personnel. Throughout the year, a total of 144,600 employees participated in training sessions, further reinforcing the Company's talent development efforts.

4. Outsourcing of labor service

☐ Applicable ☒ N/A

X. Profit Distribution and Capitalization of Capital Reserves

Profit distribution policy in the reporting period, especially the formulation, implementation and adjustment of cash dividend policy

☒ Applicable ☐ N/A

On June 7, 2024, the Company held the 2023 Annual General Meeting of Shareholders and reviewed and approved the Company's 2023 equity distribution plan. The specific plan is: based on the existing total share capital of 1,506,445,074 shares, the Company will distribute a cash dividend of CNY 46.60 (tax included) per 10 shares to all shareholders using undistributed profits; no bonus shares will be issued, and there will be no conversion of capital reserves into share capital.

The Company implements the 2023 annual equity distribution, with June 25, 2024 as the equity registration date and June 26, 2024 as the ex-rights and ex-dividend date. Based on the current total share capital of 1,506,445,074 shares, a cash dividend of CNY 46.60 (tax included) will be distributed for every 10 shares to all shareholders, with a total cash dividend distribution of CNY 7,020,034,044.84 (tax included).

Special explanation of cash dividend policy	
Whether it complies with the provisions of the company's articles of association or the requirements of the resolution of the shareholders' meeting	YES
Whether the dividend standard and ratio are explicit and clear	YES
Whether the relevant decision-making procedures and mechanisms are complete	YES
Whether the independent directors performed their duties and played their roles	YES
If the company has not conducted cash dividends, it should disclose the specific reasons for this decision and outline the next steps it plans to take to enhance investor returns.	N/A
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected	YES
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent	The company's cash dividend policy does not adjust or change

The company was profitable during the reporting period and the parent company's profit available for distribution to shareholders was positive, but no cash dividend distribution plan was proposed

☐ Applicable ☒ N/A

Profit distribution and conversion of capital reserve into paid-in capital during the reporting period

☒ Applicable ☐ N/A

Number of bonus shares for every 10 shares (shares)	0
Dividends per 10 shares (CNY) (tax included)	23.17
Base of shares (shares) of the distribution plan	1,506,445,074
Amount of cash dividends (CNY) (tax included)	3,490,433,236.45
Amount of cash dividends in other ways (such as share repurchase) (CNY)	0.00
Total cash dividends (including other methods) (CNY)	3,490,433,236.45
Distributable profit (CNY)	31,867,283,870.96
Proportion of total cash dividends (including other methods) to total profit distribution	100%
Cash dividend situation	
If the company's development stage is mature and there is no major capital expenditure arrangement when making profit distribution, the proportion of cash dividends in this profit distribution should be at least 80%.	
Detailed description of profit distribution or capital reserve conversion plan	
As audited by Zhongxi Certified Public Accountants (Special General Partnership), the parent company realized a net profit of CNY 7,362,925,869.22 in 2024. The statutory surplus reserve for the year was CNY 0.00. Adding the undistributed profit at the beginning of the year of CNY 31,524,392,046.58 and deducting the 2023 profit distribution of CNY 7,020,034,044.84, the undistributed profit available for distribution to shareholders at the	

end of the year amounted to CNY 31,867,283,870.96. In line with the principle of ensuring the long-term development of the Company while providing reasonable returns to shareholders, the Company plans to implement the 2024 profit distribution.

The 2024 profit distribution plan is as follows: based on the existing total share capital of 1,506,445,074 shares, the Company proposes to distribute a cash dividend of CNY 23.17 (tax included) per 10 shares to all shareholders, amounting to a total cash dividend of CNY 3,490,433,236.45 (tax included), without bonus shares or capitalization. In the event of any changes in the total share capital before the equity registration date for the implementation of the equity distribution, the distribution ratio will be adjusted in accordance with the principle of maintaining the total distribution amount unchanged.

XI. Implementation of company equity incentive plans, employee stock ownership plans or other employee incentives

☒Applicable ☐N/A

1. Equity incentive

N/A

Equity incentives obtained by the directors and senior management of the company

☐Applicable ☒N/A

Evaluation mechanism and incentives for senior managers

The company continues to establish and improve the assessment and traction mechanism based on business performance and the compensation and incentive mechanism for management team members oriented by value contribution that are compatible with the market economy system and modern enterprise system. The 2021 Annual General Meeting of shareholders of the Company reviewed and approved the “Management Measures for Compensation and Assessment of Management Team Member”, which stipulates that the annual remuneration of the members of the management team of the Company consists of basic annual salary, performance-based annual salary, tenure incentive and other income, the basic annual salary is paid monthly, the performance-based annual salary is implemented according to the annual performance appraisal results, and the tenure incentive is linked to the operating performance appraisal during the term of office.

2. Implementation of employee stock ownership plans

☒Applicable ☐N/A

All valid employee stock ownership plans during the reporting period

Range of employees	Number of employees	Total shares held	Changes	Proportion to the total share capital of listed companies	Funding sources for the implementation plan
Company's directors (excluding	4,738	6,379,081	N/A	0.42%	Participants' legal remuneration,

independent directors), supervisors, senior management personnel, and middle-level and above personnel and core backbones who are determined by the board of directors of the company and wholly-owned subsidiaries to play an important role in the company's overall performance and medium and long-term development					self-financing and other methods permitted by laws and regulations
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Shareholdings of Directors, Supervisors and Senior Management in the Employee Stock Ownership Plan during the Reporting Period

Name	Title	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion to the total share capital of listed companies
Zhang Liandong	Chairman	96,404	67,443	0.00%
Zhong Yu	Deputy chairman, President	96,404	67,443	0.00%
Zheng Bujun	Director	48,202	33,721	0.00%
Dai Jianbing	Director	28,921	20,233	0.00%
Lin Qing	Chairman of the Supervisory Board	48,202	33,721	0.00%
Jin Yaguang	supervisor	19,281	13,489	0.00%
Huang Jinhua	supervisor	19,281	13,489	0.00%
Yin Qiuming	Vice president, CFO	48,202	33,721	0.00%
Li Yuling	Vice president	48,202	33,721	0.00%
Chen Taisong	Vice president	48,202	33,721	0.00%
Zhang Xueqian	Vice president	28,921	20,233	0.00%
Song Zhimin	Vice president	28,921	20,233	0.00%
Lu Hongzhen	Secretary of the Board	19,281	13,489	0.00%
Chen taiqing	Chairman of the Supervisory Board(Term expires)	48,202	33,721	0.00%
Chen Fuya	supervisor(Term	48,202	33,721	0.00%

	expires)			
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Changes in asset management institutions during the reporting period

☐ Applicable ☒ N/A

Changes in equity due to disposal of shares by holders during the reporting period

☒ Applicable ☐ N/A

During the reporting period, the Company's First Phase Core Employee Shareholding Plan reduced its holdings of the Company's shares by 2,739,303 shares through centralized bidding and block trading. As of December 31, 2024, the First Phase Core Employee Shareholding Plan held 6,379,081 shares of the Company, accounting for 0.42% of the Company's total share capital.

The exercise of shareholders' rights during the reporting period

N/A

Other relevant situations and explanations of the employee stock ownership plan during the reporting period

☐ Applicable ☒ N/A

Members of Employee Stock Ownership Plan Management Committee Change

☐ Applicable ☒ N/A

The financial impact of the employee stock ownership plan on the listed company during the reporting period and related accounting treatment

☐ Applicable ☒ N/A

Termination of employee stock ownership plans during the reporting period

☐ Applicable ☒ N/A

Other instructions: As approved at the fourth meeting of the Eighth Session of the Board of Directors, the Company agreed to extend the duration of the First Phase Core Employee Shareholding Plan to September 10, 2025.

3. Other employee incentives

☐ Applicable ☒ N/A

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

(1) Internal control system construction

a) Optimize the internal control environment of the enterprise.

i. Standardize the establishment of the organizational structure. According to the relevant laws and regulations of China, clarify the responsibilities, authority, conditions, rules of procedure and work procedures of the board of directors, board of supervisors and managers to ensure that decision-making, execution and supervision are separated from each other and form checks and balances. Clarify the internal division of labor of the board of directors, and set up special committees including audit committee, remuneration and appraisal committee, strategy committee, nomination committee.

ii. Improve human resources policies. ① Enhance the employee development mechanism. Candidates must undergo a rigorous assessment process before being hired. The Company has established a comprehensive system

covering employee training, compensation, performance evaluation, and promotion. For employees in different positions, the Company provides pathways to improve their overall competence, aiming to cultivate high-quality talent.② Establish and improve the incentive mechanism. On the basis of ensuring fairness and relative stability in incentives and constraints, the Company implements shareholding plans and spontaneous incentive mechanisms to stimulate employees' initiative, fully tap their potential, and safeguard corporate interests.

iii. Foster a healthy corporate culture. With a culture of aspiration at its core, the Company adheres to the development philosophy of "being a leader in the industry and serving the country, the people, and the local community." It remains committed to a positive cultural direction, continuously gathering momentum and integrating strong cultural energy into all aspects of production, operations, and management. This helps inspire the enthusiasm, initiative, and creativity of all employees, using cultural soft power to drive corporate development.

b) Establish a risk assessment firewall. To effectively control various business risks, the Company identifies potential risks in areas such as production safety, food safety, behavioral safety, financial safety, and environmental safety. Full-process risk control measures have been established across key business segments. The Company has also formulated corresponding risk control systems, including the Risk and Opportunity Management Measures, the Risk Management Accountability System, the Hazard Identification and Risk Assessment Management Measures, and the Environmental Factor Identification, Evaluation and Update Management Measures. It regularly inspects and evaluates the effectiveness and appropriateness of internal control design and operation, promptly identifying institutional barriers that hinder deepened reform and risk prevention. These efforts promote the establishment of a sound system for risk prevention, early warning, response, and accountability, further reinforcing the crucial role of both "curing existing issues" and "preventing potential risks."

c) Implement effective internal control activities. Based on the level of risk assessment, the Company carries out internal control activities such as division of responsibilities control, authorization control, review and approval control, budget control, and performance evaluation control. Tailored management systems, standardized operating procedures, and key control points are developed according to the specific characteristics of each business. Corresponding task assignments, responsibilities, and authority are defined, along with clear operating procedures, handling protocols, disciplinary rules, and inspection standards. This ensures a coordinated balance between duties, responsibilities, authority, and benefits, with subordinates subject to supervision by superiors, and superiors constrained by subordinates. These measures effectively safeguard the interests of the enterprise and ensure the stable and orderly advancement of various operations.

d) Improve the information and communication mechanism. The company establishes the technical platform of the information system, establishes a sensitive information collection and feedback system, realizes the upward, parallel or downward flow and communication of various information within the enterprise, and implements the whole process of the entire internal control information from production, release to feedback modern management.

e) The Board of Directors of the Company has established an Audit Committee, which is responsible for regularly reviewing the audit work plan, supervising the completion of the annual audit, and examining the Company's internal control system and financial statements. The internal audit department reports the annual audit work to both the Party Committee and the Board of Directors. The Company adheres to comprehensive audit coverage, focusing on key areas of its operations. Audits are conducted across all subsidiaries and functional departments,

targeting critical areas, key departments, and sensitive positions. The Company strengthens supervision over major funds, key projects, significant assets, and the economic responsibilities of personnel in important positions. The Company also reinforces the coordination between disciplinary inspection and audit functions, ensuring the sharing of critical information and joint review of significant matters. This enables internal audit to fully play its supervisory role in standardizing management, preventing risks, and improving corporate governance. It enhances checks and balances, contributes to the development of an anti-corruption and prevention system, and promotes the efficient and orderly operation of the enterprise.

(2) Internal control system implementation

The Company has established a comprehensive internal control system covering areas such as financial management, human resources management, risk management, and information technology management. Business operations are conducted in accordance with standardized systems and procedures. The Audit Committee of the Board of Directors conducts comprehensive reviews and supervision of financial reporting, the effectiveness of internal controls, and the rationality and effectiveness of corporate governance. The Company performs annual self-assessments of internal controls. In response to internal and external developments and business needs, relevant internal control systems are continuously optimized. In 2024, the Company updated 63 internal control policies, abolished 1, and introduced 8 new ones. The Company's management departments conduct regular inspections to ensure long-term compliance with internal policies, and internal audit conducts routine oversight, achieving full audit coverage across all subsidiaries and functional departments.

2. Details of major deficiencies in internal control discovered during the reporting period

☐ Yes ☒ No

XIII. The company's management and control of subsidiaries during the reporting period

Name of the subsidiaries	Combination plan	Combination progress	Issues	Solutions	Resolve progress	Follow-up resolution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal control self-assessment report or internal control audit report

1. Self-evaluation Report on Internal Control

Date of disclosure of the full text of the internal control evaluation report	April 29, 2025
Disclosure Index of the Full Text of the Internal Control Evaluation Report	The full text of the "Internal Control Self-Assessment Report for 2024" will be disclosed on http://www.cninfo.com.cn on April 29, 2025

The ratio of the total assets of the company included in the evaluation scope to the total assets of the company's consolidated financial statements	99.62%	
The ratio of the operating income of the company included in the evaluation scope to the operating income of the company's consolidated financial statements	99.97%	
Defect identification standard		
Type	Financial report	Non-financial report
Qualitative Criteria	<p>(1) Signs of major deficiencies in financial reports include: i. Fraudulent conduct by the company's directors, supervisors or senior executives; ii. Significant misstatements in the current financial statements were found, but the management failed to detect them during the operation of internal control; iii. As a result of internal control evaluation, major deficiencies have not been rectified; iv. The audit committee and internal audit institution's supervision of internal control is invalid.</p> <p>(2) Signs of significant deficiencies in financial reporting include: i. Failure to select and apply accounting policies in accordance with generally accepted accounting principles; ii. Failure to establish anti-fraud procedures and control measures; iii. Failure to establish corresponding accounting treatment for non-routine or special transactions iv. There are one or more deficiencies in the control over the period-end financial reporting process and there is no reasonable assurance that the prepared financial statements will achieve the true and accurate objectives.</p> <p>(3) General defects refer to other control defects other than the above-mentioned major defects and important defects.</p>	<p>(1) Signs of major deficiencies in non-financial reports include: i. lack of democratic decision-making procedures, unscientific decision-making procedures, major mistakes which resulting in major property losses to the company; ii. Serious violation of national laws and regulations; iii. Lack of important business management system or systemic failure of system operation; iv. The company's major or important internal control deficiencies cannot be rectified in a timely manner; v. The company continues or has a large number of important internal control deficiencies .</p> <p>(2) Signs of significant deficiencies in non- financial reporting include: i. The business behavior violates relevant national laws; ii. Inadequate decision-making process leads to important errors and large losses; iii. Serious loss of business personnel in key positions; iv. Deficiencies in important business systems or systems.</p> <p>(3) General deficiencies refer to control deficiencies other than the above major deficiencies and significant deficiencies.</p>
Quantitative standard	<p>Major defects: Misstatement > 3% of total operating income; Misstatement > 5% of total profit; Misstatement > 2% of total assets.</p> <p>Important defects: 1% of total</p>	<p>Major defect: loss accounts for \geq 1% of total assets.</p> <p>Important defects: $0.5\% \leq$ losses account for less than 1% of total assets.</p>

	operating income < misstatement \leq 3% of total operating income; 3% of total profit < misstatement \leq 5% of total profit; 1% of total assets < misstatement \leq 2% of total assets. General defects: misstatement \leq 1% of total operating income; misstatement \leq 3% of total profit; misstatement \leq 1% of total assets.	General defects: The proportion of loss to total assets is less than 0.5%.
Number of major deficiencies in financial reports (pieces)		0
Number of major deficiencies in non-financial reports (pieces)		0
Number of material deficiencies in financial reports (pieces)		0
Number of material deficiencies in non-financial reports (pieces)		0

2. Internal Control Audit Report

☒Applicable ☐N/A

Deliberation Opinion Paragraph in Internal Control Audit Report	
We believe that on December 31, 2024, Yanghe Co., Ltd. maintained effective internal control over financial reporting in all material aspects in accordance with the "Basic Norms for Corporate Internal Control" and relevant regulations.	
Disclosure Situation of Internal Control Audit Report	Disclosed
Disclosure date of the full text of the internal control audit report	April 29, 2025
Full text disclosure index of internal control audit report	The full text will be disclosed on http://www.cninfo.com.cn on April 29, 2025
Types of opinions on internal control audit reports	Standard unqualified opinion
Whether there are material deficiencies in non-financial reporting	No

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

☐Yes ☒No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the board of directors

☒Yes ☐No

XV. Special Rectification Actions for Self-inspected Problems of Listed Companies

Completed.

Section V Environmental and Social Responsibility

I. Significant environmental issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge companies announced by the environmental protection department

☒Yes ☐No

Environmental protection related policies and industry standards

The company strictly complies with environmental protection related laws and regulations and industry standards.

Relevant laws and regulations: “Environmental Protection Law of the People’s Republic of China”, “Law of the People’s Republic of China on Water Pollution Prevention and Control”, “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, “Law of the People’s Republic of China on Prevention and Control of Air Pollution”, “Law of the People’s Republic of China on the Prevention of Noise Pollution”, “Law of the People’s Republic of China on Prevention and Control of Soil Pollution”, “Regulations on discharge permit Administration”, “Regulations on the Prevention and Control of Environmental Pollution by Industrial Solid Wastes in Suqian City”, etc; Relevant industry standards: “Discharge standard for water pollutants of fermented alcohol and liquor industry” (GB27631-2011) and its amendment list, “Discharge standard of air pollutants from boilers” (DB32/ 4385—2022), “Comprehensive Emission Standards for Air Pollutants” (DB324041-2021), and “Industrial enterprise boundary environmental noise emission standard” (GB12348-2008) and so on.

Environmental protection administrative permit

The company and its subsidiaries have complete materials such as environmental impact reports and pollutant discharge permits for construction projects. Among them:

Jiangsu Yanghe Distillery Co., Ltd.: On October 31, 2024, the Company applied to Suqian Bureau of Ecological Environment for the “Pollutant Discharge Permit of Yanghe Branch of Yanghe Stock Co., LTD.”, valid from October 31, 2024 to October 30, 2029.

Jiangsu Shuanggou Wine Co., Ltd.: The Company has obtained “Jiangsu Provincial Pollutant Discharge License” issued by Suqian Municipal Bureau of Ecological Environment on August 12, 2021, valid from August 12, 2021 to August 11, 2026.

Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch: On November 28, 2024, the Company obtained the “Pollutant Discharge License of Siyang Branch of Yanghe Corporation” issued by Suqian Municipal Bureau of Ecological Environment. The license is valid from November 28, 2024 to November 27, 2029.

Guizhou Guijiu Group Co., Ltd.: The company applied for the renewal of the pollutant discharge permit in November 30 2022, which has been approved by Guiyang Bureau of Ecological Environment and is valid from October 18, 2022 to October 17, 2027.

Industrial discharge standards and details of the discharge of pollutants involved in production and business activities

Company	Types of	Names of	Emission method	Number	Distribution	Emission	Implemented	Total emission	Total approved	Excessive
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name or subsidiary name	major pollutants and characteristic pollutants	major pollutants and characteristic pollutants		of vents	of discharge outlets	concentration	pollutant discharge standards	ns	emissions	emissions
Jiangsu Yanghe Distillery Co., Ltd.	Waste water	Oxygen Demand, Ammonia Nitrogen, Total Phosphorus, Total Nitrogen	Indirect emissions	1	Longitude: 118°22'33.74" Latitude: 33°47'26.74"	48mg/L 1.13mg/L 1.27mg/L 20mg/L	650mg/L 40mg/L 5mg/L 60mg/L	94.974tons 1.19tons 2.12tons 33.29tons	1025.26tons/year 63tons/year 7.8tons/year 94.6tons/year	None
Jiangsu Shuanggou Wine Co., Ltd.	Waste water	Oxygen Demand, Ammonia Nitrogen, Total Phosphorus, Total Nitrogen	Indirect emissions	1	Longitude: 118°12'07" Latitude: 33°13'45"	59.86mg/L 1.67mg/L 1.98mg/L 14.34mg/L	500mg/L 40mg/L 8mg/L 60mg/L	44.39tons 1.02tons 1.36tons 10.55tons	400tons/year 32tons/year 6.4tons/year 48tons/year	None
Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch	Waste water	Oxygen Demand, Ammonia Nitrogen, Total Phosphorus, Total Nitrogen	Indirect emissions	1	Longitude: 118°45'33.08" Latitude: 33°42'25.70"	138.8mg/L 8.364mg/L 2.087mg/L 15.421mg/L	500mg/L 80mg/L 12mg/L 80mg/L	115.12tons 6.58tons 1.64tons 13.16tons	650tons/year 104tons/year 15.6tons/year 104tons/year	None
Guizhou Guijiu Group Co., Ltd.	Waste water	Oxygen Demand, Ammonia Nitrogen, Total Phosphorus, Total Nitrogen	Straight emissions after processing	1	Longitude: 106°35'43" Latitude: 25°50'52"	46.04mg/L 0.199mg/L 0.206mg/L 5.904mg/L	100mg/L 10mg/L 1mg/L 20mg/L	4.438tons 0.019tons 0.020tons 0.569tons	8.958tons/year 0.898tons/year 0.0925tons/year 1.85tons/year	None

		n								
Guizhou Guijiu Group Co., Ltd.	exhaust gas	Nitrogen oxide	Straight emissions	1	Longitude: 106°35'43" Latitude: 25°50'52"	23.679 mg/m ³	200mg /m ³	2.076 tons	6.199 tons/year	None

Treatments of pollutants

Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch: The sewage treatment station in use was completed in 2012, with a total investment of CNY 96 million, covering an area of 19,000 square meters, with a designed sewage treatment capacity of 10,000 tons per day. The sewage treatment process adopts physical treatment method + chemical treatment method + anaerobic biological treatment method + aerobic biological treatment method in order to reach the treatment of high-concentration wastewater of 250 tons per hour. The emission implements the "Fermentation Alcohol and Liquor Industry Pollutant Emission Standard (GB27631-2011)" and the modified list of indirect emission protocol standards. In 2023, two new anaerobic towers were built to improve the efficiency of anaerobic treatment. In 2024, 1.8735 million tons of wastewater were treated. COD reduction was 16,967 tons, ammonia nitrogen reduction was 191 tons, total nitrogen reduction was 321 tons, total phosphorus reduction was 184 tons. The emission concentration of all pollutants is lower than the national emission standard. There is a biogas boiler room equipped with 9 biogas boilers, their production capacity reaches 32 tons per hour, and the biogas produced by anaerobic fermentation of sewage treatment was all used for biogas boiler combustion. The steam output was 147,300 tons in 2024. The distiller's grains were recycled and centrally disposed of, with a utilization rate of 100%, and the sludge was mainly recycled by qualified third-party units.

Jiangsu Shuanggou Wine Co., Ltd.: The sewage treatment station in use was completed in 2013, with a total investment of CNY 42.5 million, covering an area of 15,000 square meters, with a designed sewage treatment capacity of 5,400 tons per day. Sewage treatment adopts anaerobic tower + UASB + AAO + secondary sedimentation tank + phosphorus removal tank treatment process, in accordance with the revised list of "Fermentation Alcohol and Liquor Industrial Pollutant Discharge Standard (GB27631-2011)" and "Shuanggou Township Wastewater Treatment Plant takeover standards". In 2024, 710,700 tons of wastewater were treated. COD reduction was 6,589 tons, ammonia nitrogen reduction was 105.84 tons, total phosphorus reduction was 59.07 tons, total nitrogen reduction was 163.15 tons. The emission concentration of all pollutants is lower than the national emission standard. There is a biogas boiler room equipped with 3 biogas boilers, and the biogas produced by anaerobic fermentation of sewage treatment was all used for biogas boiler combustion. The steam produced by the biogas boiler was used for brewing production, and the steam output was 33,800 tons in 2024. The sludge and vinasse are mainly recycled by qualified third-party units.

Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch: The sewage treatment station in use was completed in 2015, with a total investment of CNY 50 million, covering an area of about 15,000 square meters, with a designed sewage treatment capacity of 6,000 tons per day. The sewage treatment process adopts EGSB + AAO + advanced treatment technology, and implements the indirect discharge agreement standard of the revised list of "Fermentation Alcohol and Liquor Industry Pollutant Discharge Standard (GB27631-2011)". In 2024, 850,900 tons of wastewater were treated. COD reduction was 18,909 tons, ammonia nitrogen reduction was 199 tons, total nitrogen reduction was

429 tons, total phosphorus reduction was 177 tons. The emission concentration of all pollutants is lower than the national emission standard. There is a biogas boiler room equipped with 6 biogas boilers, and the biogas produced by anaerobic fermentation of sewage treatment was all collected and used for biogas boiler combustion. The steam produced by the biogas boiler was used for brewing production, and the steam output was 92,900 tons in 2024. The sludge and vinasse are mainly recycled by qualified third-party units.

Guizhou Guijiu Group Co., Ltd.: The sewage treatment station in use was completed in 2021, with a total investment of CNY 18.5 million, covering an area of about 1,980 square meters, with a designed sewage treatment capacity of 700 tons per day. The wastewater treatment process adopts pretreatment + anaerobic system + primary biochemical system + secondary biochemical system + MBR membrane/ozone + phosphorus removal sedimentation system, and the wastewater discharge complies with the direct discharge standard in Table 2 of the "Discharge Standard for Water Pollutants in Fermented Alcohol and Liquor Industry (GB27631-2011)". In 2024, 96,000 tons of wastewater were treated. COD reduction was 273.7 tons, ammonia nitrogen reduction was 8.16 tons, total nitrogen reduction was 14.2 tons, total phosphorus reduction was 4.19 tons. The emission concentration of all pollutants is lower than the national emission standard. The boilers used are gas-fired boilers with natural gas as fuel, and the exhaust gas is directly discharged, complying with the "Emission Standard of Air Pollutants for Boilers (GB13271-2014)" Table 2 for gas-fired boilers with standard limit emissions. The sludge is mainly recycled by qualified third-party units.

Emergency plan for environmental emergencies

The company and its subsidiaries have formulated contingency plans for environmental emergencies. The company has filed with the Bureau of Ecological Environment of Suqian City; Shuanggou Wine has filed with the Sihong Ecological Environment Bureau of Suqian City; the company's Siyang Branch has filed with Siyang County Ecological Environment Bureau; and Guijiu Company has filed with the Guiyang Environmental Emergency Response Center.

The company and its branches and subsidiaries actively organize employees to train and learn the plan, and regularly carry out environmental emergency plan drills, to improve the environmental protection awareness and emergency handling ability of all staff.

Environmental Self-Monitoring Program

The company and its subsidiaries have completed self-monitoring plans

Jiangsu Yanghe Distillery Co., Ltd. Siyang Branch COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH online monitoring instruments have been installed and are connected to the provincial and municipal data monitoring platforms. The sewage treatment station is equipped with dedicated personnel for sewage testing and analysis. Daily manual sampling and testing are conducted for COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH in the discharged wastewater, with records maintained. A qualified third-party organization is entrusted to regularly sample and test the company's wastewater. The environmental self-monitoring program has been filed with the Jiangsu Province self-monitoring information release platform for key monitoring enterprises.

Jiangsu Shuanggou Wine Co., Ltd. COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH online

monitoring instruments have been installed, and data is connected to the provincial and municipal data monitoring platforms. The sewage treatment station has designated staff responsible for sewage testing and analysis, conducting daily manual sampling and testing of indicators such as COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH of the discharged sewage, with records maintained. Third-party qualified institutions are entrusted to periodically sample and test the company's sewage. The environmental self-monitoring program has been filed with the Jiangsu Province self-monitoring information release platform for key monitoring enterprises.

Jiangsu Yanghe Distillery Co., Ltd. COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH online monitoring instruments have been installed, and the data is connected to the provincial and municipal data monitoring platforms. The sewage treatment station has designated staff for sewage testing and analysis, conducting daily manual sampling and testing of indicators such as COD, ammonia nitrogen, total nitrogen, total phosphorus, and pH in the discharged sewage, with records maintained. The company has entrusted a third-party institution with sewage testing qualifications to periodically sample and test the company's sewage. The environmental self-monitoring program has been filed with the Jiangsu Province self-monitoring information release platform for key monitoring enterprises.

Guizhou Guijiu Group Co., Ltd. COD, ammonia nitrogen, total nitrogen, total phosphorus, pH, and SS online automatic monitoring instruments have been installed, and nitrogen oxide online automatic monitoring instruments have been installed for exhaust gases, with data connected to the provincial and municipal data monitoring platforms. A third-party institution with testing qualifications has been entrusted to sample and test the company's wastewater and exhaust gases monthly and quarterly, and generate testing reports. In November 2024, the "Self-Monitoring Program" was updated and filed with the Xiuwen Branch of the Guiyang Ecological Environment Bureau.

Input in environmental governance and protection and payment of environmental protection tax

The company, its branches and subsidiaries actively carry out environmental treatment and protection work. In 2024, the total investment of sewage operation and environmental management is about CNY 52.03 million, and the environmental protection tax is about CNY 0.9602 million.

Measures taken to reduce carbon emissions during the reporting period and their effects

☒Applicable ☐N/A

In 2024, the company fully implemented the "One-Two-Five-Seven" dual carbon strategy, carrying out extensive practices in areas such as comprehensive energy efficiency enhancement, energy structure adjustment, and digital transformation for emission reduction, achieving remarkable results.

(1)Energy Saving and Emission Reduction: The company has continuously reduced energy consumption and carbon emissions, while improving quality and efficiency, through the development of an industry-leading smart energy management platform, the establishment of zero-carbon model workshops, and the application of new technologies such as workshop-level pressure regulation control. The total carbon emission reduction for the year was 43,000 tons. Green electricity consumption reached 32.85 million kWh, with a consumption rate increase to 33.21%, reducing carbon emissions by 18,300 tons. The comprehensive energy consumption per unit of brewing decreased by 4% compared to the previous year, saving 82,000 tons of steam and reducing carbon emissions by

25,000 tons.

(2) Use of Clean Energy: The Yanghe subsidiary maximized the use of photovoltaic green electricity, consuming 17.72 million kWh of photovoltaic electricity, accounting for 31.71%, reducing carbon emissions by 24,900 tons. Shuanggou Wine Industry used 9.04 million kWh of photovoltaic electricity in 2024, while transformer upgrades saved 67,500 kWh of electricity, resulting in a reduction of carbon emissions by 5,071 tons. The Siyang subsidiary, in line with the overall layout of the plant's electrical circuits, completed small-scale energy storage construction in 2024. By using the "off-peak storage and peak release" method, it was able to save 400 kWh per day, resulting in an annual cost saving of approximately CNY 72,000. Guijiu Company installed a 1.8MW distributed photovoltaic system, using 837,600 kWh of photovoltaic electricity and reducing carbon emissions by 477.66 tons.

(3) Optimizing Production Processes to Promote Energy Saving: The Yanghe subsidiary saved 45,200 tons of steam by installing a steam pressure stabilization and self-control system in the workshop and implementing full coverage of grain addition inside the fermenter under the same input conditions. Shuanggou Wine Industry saved 35,900 tons of steam by re-insulating steam pipes, upgrading to constant-pressure steam supply, and replacing steam production with biogas boilers, resulting in a reduction of carbon emissions by 11,100 tons. Guijiu Company carried out the recovery of residual steam in steam pipes, reducing natural gas consumption per unit of steam produced to 78.46m³, saving 34,400 cubic meters of natural gas throughout the year.

Administrative penalties for environmental issues during the reporting period

Company or subsidiary name	Reason for punishment	Violation situation	Punishment result	The impact on the production and operation of listed companies	Rectification measures
None	None	None	None	None	None

Other environmental information that should be disclosed

None

Other environmental protection related information

None

II. Social responsibility

The company has disclosed the "2024 Annual Social Responsibility Report and ESG Report", see www.cninfo.com.cn for details.

III. The Achievements of Poverty Alleviation and Rural Revitalization

In 2024, the company actively integrated a sense of national responsibility into its development, adhering to the concept of sustainable collaboration, implementing rural revitalization support and industrial revitalization, and actively participating in social welfare activities to fulfill its social responsibilities.

1. Village-Enterprise Joint Construction and New Trends: Partnered with Zhangdu Village, a key village for rural revitalization support, to continuously carry out the "Village-Enterprise Joint Construction* Unique New Trend - Weekend Hair Salon" initiative. Throughout the year, free haircut services were provided to 3,000 villagers, fostering local warmth and nurturing a civil, harmonious rural atmosphere. Donated organic fertilizers to

Zhangdu Village to support the sorghum base construction, enabling resource sharing and complementing each other's strengths, thus helping farmers increase income and improve livelihoods.

2. Village Support and Public Welfare: Actively carried out paired assistance work in Lai'an and Shuangqiao Village in Siyang, visiting 104 low-income households during the Mid-Autumn Festival and Chinese New Year. They delivered supplies and care to people in need and carried out activities such as "Welcoming the New Year, Writing Spring Festival Couplets, and Sending Blessings," bringing a strong festive atmosphere to the village.

3. Promoting Regional Economic Development: Utilized the "Company + Base" management model to promote green, low-carbon circular agriculture. While ensuring production needs, the company also actively drove the scale development of rural industries, creating employment opportunities in surrounding areas and boosting the growth of upstream and downstream enterprises, thus contributing to regional economic development.

4. Charitable Contributions and Social Responsibility: Fulfilled the role of strategic partner for China's aerospace industry, supporting the development of the aerospace sector. Donated charitable funds, established the "Dream Education Development Fund," and contributed to the "My University, My Dream" scholarship program, lighting the path of dreams for students. Actively participated in flood prevention and post-flood reconstruction efforts, helping communities recover. For three consecutive years, the company has been awarded the "Annual Charity Enterprise" honor by the China Charity Federation.

For further details, please refer to the company's disclosed "2024 Annual Environmental, Social, and Corporate Governance Report."

Section VI Significant Events

I. Performance of commitments

1. Complete and incomplete commitments of the Company and its actual controller, shareholders, related parties, acquirers, and other related parties for the commitments by the end of the reporting period

☒Applicable ☐N/A

Commitment s	Giver of commitment s	Commitment Type	Details of Commitment	Date of Commitment	Term of Commitment	Performance
Commitment s made at IPO or refinancing	Jiangsu Yanghe Group Co. Ltd.	Commitment s on horizontal competition, related transactions, and capital occupation	1. Commitment to avoid horizontal competition: (1) The company is not currently engaged in any business that competes with the joint-stock company. The company promises to maintain the existing business structure, and not to directly or indirectly operate with the business of the joint- stock company that actually constitutes competition or may constitute competition. Any business, or newly established subsidiaries or affiliated enterprises	August 26, 2009	Long-term	In normal execution

			<p>engaged in the above-mentioned business. (2)</p> <p>If the company violates the above commitments, the joint-stock company has the right to request the company to immediately terminate the business of horizontal competition and compensate the economic loss caused to the joint-stock company. At the same time, the company shall pay liquidated damages of CNY 10 million to the joint-stock company. (3)</p> <p>The company promises not to use its status as the controlling shareholder in the joint-stock company to damage the legitimate rights and interests of the joint-stock company, other shareholders of the joint-stock company and</p>			
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			<p>creditors of the joint-stock company. ⁽⁴⁾ This letter of commitment takes effect from the date of signing and cannot be revoked without the consent of the joint-stock company. 2. Commitment to reduce related-party transactions: The company will strictly abide by the requirements of relevant laws, regulations and normative documents such as the Company Law, the Securities Law, and the Code of Corporate Governance for Listed Companies, and further reduce and strictly regulate the relationship with joint-stock companies. All kinds of related-party transactions between the two companies, to ensure that the status of the</p>			
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			controlling shareholder and actual controller will not be used to harm the interests of the joint-stock company and other shareholders of the joint-stock company, and that no new occupation of the joint-stock company will occur.			
	Jiangsu Blue Alliance Co., Ltd.	Commitments on horizontal competition, related transactions, and capital occupation	Commitment to avoid horizontal competition: 1. The company is mainly engaged in investment management , and does not operate the same or related business as the issuer. The company will not engage in the same or related business as the issuer's business, and will not harm the issuer's interests, nor will it seek illegitimate benefits from the issuer; 2. If the company	November 23, 2017	Long-term	In normal execution

			<p>violates the above commitments, the issuer has the right to demand compensation from it owing to economic losses caused to the issuer, and pay liquidated damages of CNY 5 million, and have the right to request the acquisition of the business project at the market price of the business project or the establishment cost price (whichever is lower); 3. This commitment</p> <p>The book will take effect from the date of signing and cannot be revoked without the consent of the issuer.</p>			
	Jiangsu Blue Alliance Co., Ltd.	Share Reduction Commitment	<p>After the issuer's shares have been listed and traded on the stock exchange for one year, the shares transferred</p>	November 23, 2017	Long-term	In normal execution

			each year shall not exceed 25% of the total number of the issuer's shares held by the issuer, and the issuer's shares held and their changes shall be reported to the issuer in a timely manner.			
	Cong Xuenian	Other commitments	As one of the directors, supervisors and senior managers of the of Jiangsu Blue Alliance Co., Ltd., I promise: 1. During the term of office of the issuer, the annual transfer of Blue Alliance equity shall not exceed 25% of the total equity of Blue Alliance held by me 2. If I resign from the issuer, I shall not transfer the shares of the Blue Alliance held by me within six months after resignation; 3. If I resign from the issuer, the	November 23, 2017	March 30, 2024	Implementation completed

			number of shares transferred shall not exceed 50% of the total shares of the Blue Alliance held by me within 12 months of six months of resignation			
Whether the promise is fulfilled on time	YES					
If the commitment is overdue and not fulfilled, the specific reasons for the failure to fulfill and the next work plan shall be explained in detail	N/A					

2. Where any profit forecast was made for any of the Company's assets or projects and the current reporting period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the profit forecast and why:

☐ Applicable ☒ N/A

II. Non-operating capital occupation of listed companies by controlling shareholders and other related parties

☐ Applicable ☒ N/A

No such case during the current reporting period.

III. Illegal Provision of Guarantees for External Parties

☐ Applicable ☒ N/A

No such case during the current reporting period.

IV. Explanation of the board of directors on the latest ‘non-standard audit report’

☐Applicable ☒N/A

V. Explanation Given by the Board of Directors, Supervisory Committee and Independent Directors (if applicable) regarding the “Non-standard Auditor’s Report” Issued by the CPA Firm for the Current Reporting Period

☐Applicable ☒N/A

VI. For Changes in Accounting Policies, Accounting Estimates or Correction of Significant Accounting Errors Compared with the Financial Report for the Prior Year

☒Applicable ☐N/A

1. On October 25, 2023, the Ministry of Finance issued the "Interpretation No. 17 of the Enterprise Accounting Standards" (Finance [2023] No. 21, hereinafter referred to as "Interpretation No. 17"), which provides guidance on the classification of current and non-current liabilities, disclosure of supplier financing arrangements, and accounting treatment of sale and leaseback transactions. The company has adopted this interpretation starting from January 1, 2024. The implementation of this interpretation has no impact on the opening financial statements.

2. On December 6, 2024, the Ministry of Finance issued the "Interpretation No. 18 of the Enterprise Accounting Standards" (Finance [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which provides guidance on the accounting treatment of guarantee-type quality assurances that do not constitute separate performance obligations. The company has adopted this interpretation starting from January 1, 2024. The implementation of this interpretation has no impact on the opening financial statements.

VII. Explanation of changes in the scope of consolidated statements compared with the financial report of the previous year

☒Applicable ☐N/A

1. Set up subsidiaries

(1) The holding subsidiary Jiangsu Yangmi Liwei Distillery Co., Ltd. subscribed capital of CNY10 million to establish Tibet Yangmiwei Distillery Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from January 2024.

(2) The holding subsidiary Jiangsu Yiguo Xiang Biotechnology Co., Ltd. subscribed capital of CNY2 million to establish Suqian Yiguo Xiang Sales Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from June 2024.

(3) The holding subsidiary Jiangsu Yiguo Xiang Biotechnology Co., Ltd. subscribed capital of CNY1 million to establish Hangzhou Yiguo Xiang Brand Operation Management Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from February 2024.

(4) The company subscribed capital of CNY20 million to establish Hainan Yanghe Trading Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from July 2024.

2. Deregistration of Subsidiaries

(1) The holding subsidiary Jiangsu Shiyang Network Technology Co., Ltd. has completed its industrial and commercial deregistration and has been excluded from the scope of consolidation for the consolidated financial statements starting from November 2024.

(2) The holding subsidiary Jiangsu Yanghe Weiketang Network Technology Co., Ltd. has completed its industrial and commercial deregistration and has been excluded from the scope of consolidation for the consolidated financial statements starting from December 2024.

VIII. Engagement and Disengagement of the CPA firm

CPA firm engaged at present

Name of domestic accounting firm	Zhongxi CPA LLP.
Remuneration of domestic accounting firm (CNY10,000)	176.68
Consecutive years of audit services of domestic accounting firms	1
The name of the certified public accountant of the domestic accounting firm	Gong Zhaoping, Wang Wenjuan
Consecutive years of auditing services by certified public accountants of domestic accounting firms	1

Whether to change the CPA firm in the current period

☒Yes ☐No

Whether the accounting firm was changed during the audit period

☐Yes ☒No

Whether the change of accounting firm followed the approval procedures

☒Yes ☐No

Explanation on the Change of Accounting Firm

In accordance with the relevant provisions on auditor rotation under the Measures for the Administration of the Selection and Appointment of Accounting Firms by State-Owned Enterprises and Listed Companies, the company changed its accounting firm. In June 2024, upon approval at the 2023 Annual General Meeting of Shareholders, it was resolved to appoint Zhongxi Certified Public Accountants LLP (Special General Partnership) as the company's financial and internal control auditor for the year 2024.

Engagement of internal control audit CPA firm, financial advisor or sponsor

☒Applicable ☐N/A

During the reporting period, the Company hired Zhongxi CPA LLP. as the internal control audit accounting firm, and paid a total of CNY 471,200 of financial consulting fees during the period.

IX. Facing delisting after annual report disclosure

☐Applicable ☒N/A

X. Bankruptcy and Restructuring

☐Applicable ☒N/A

No such case during the reporting period.

XI. Material Litigations and Arbitration

☐ Applicable ☒ N/A

The Company had no material litigation or arbitration during the current reporting period.

XII. Punishment and rectification

☐ Applicable ☒ N/A

No such case during the reporting period.

XIII. The integrity of the company and its controlling shareholders and actual controllers

☐ Applicable ☒ N/A

XIV. Significant Related-party Transactions

1. Related-party Transactions Arising from Routine Daily Operations

☐ Applicable ☒ N/A

No such case during the reporting period.

2. Related-party Transactions regarding Purchase and Disposal of Assets or Equity

☐ Applicable ☒ N/A

No such case during the reporting period.

3. Significant Related-party Transactions Arising from Joint Investments on External Parties

☐ Applicable ☒ N/A

No such case during the reporting period.

4. Related Credit and Debt Transactions

☐ Applicable ☒ N/A

No such case during the reporting period.

5. Transactions with related financial companies

☐ Applicable ☒ N/A

No such case during the reporting period.

6. Transactions between the financial company controlled by the company and related parties

☐ Applicable ☒ N/A

There is no deposit, loan, credit or other financial business between the financial company controlled by the Company and its related parties.

7. Other significant related-party transactions

☐ Applicable ☒ N/A

The company has no other significant related transactions during the reporting period.

XV. Significant Contracts and Their Execution

1. Trusteeship, Contracting and Leasing

(1) Trusteeship

☐ Applicable ☒ N/A

No such case in the reporting period.

(2) Contracting

☐ Applicable ☒ N/A

No such case in the reporting period.

(3) Leasing

☐ Applicable ☒ N/A

No such case in the reporting period.

2. Significant Guarantees

☐ Applicable ☒ N/A

No such case in the reporting period.

3. Entrusting Others to Manage Cash Assets

(1) Entrusted financial management

☒ Applicable ☐ N/A

Overview of entrusted wealth management during the reporting period

Unit: CNY10, 000

Product types	Source of funds	Amount	Outstanding balance	Amount not collected after the due date	Amount of impairment accrued owing to overdue financial management
Bank wealth	Private funds	960,000	630,000	0	0

management products					
Trust wealth management products	Private funds	24,512.85	0	6,512.85	6,512.85
Total		984,512.85	630,000	6,512.85	6,512.85

Specific circumstances of high-risk entrusted wealth management with a single large amount or low security and low liquidity

☒Applicable ☐N/A

Unit: CNY10, 000

Trustee name	Type of Trustee (or Trustee)	Type	Amount	Sources of funds	Start date	End date	Investment direction	Remuneration determination method	Reference annualized rate of return	Expected earnings (if any)	Actual profit and loss amount during the reporting period	The actual recovery of profit and loss during the reporting period	Amount of provision for impairment (if any)	Whether it has gone through legal procedures	Is there any entrusted financial plan in the future	An overview of the matter and an index of related queries (if any)
CITIC Trust	Trust	CITIC Trust • Jiahe No. 118 Evergrande Guiyang New World Accumulative Fund Trust Plan	6,512.85	Private funds	May 29, 2020	November 29, 2021	Debt assets	Cash	7.60%	1,085.97	0	0	6,512.85	Yes	No	The trust financing expires, and part of the principal and income are deferred. For details, please refer to the "Announcement on the Deferred Payment of the Expired Principal and Income of Entrusted Wealth Management" disclosed by the company on December 4, 2021 (Announcement

																No. 2021-044)
Total			6,512.85	--	--	--	--	--	--	1,085.97	0	--	6,512.85	--	--	--

Entrust finance expected to be failed to recover principle or other situation leading to impairment

☒Applicable ☐N/A

(1) The “CITIC Trust Jiahe No. 118 Evergrande Guiyang New World Collective Fund Trust Plan” purchased by the company was extended. Based on the principle of prudence, the company handled changes in fair value, and as of December 31, 2024, an impairment provision of CNY65,128,500 was recognized.(2) The company purchased the “AVIC Trust • Tianxin Bay Area Renewal No. 10 Collective Fund Trust Plan Phase 1” and “AVIC Trust • Tianxin Bay Area Renewal No. 10 Collective Fund Trust Plan Phase 2.” As of the end of the reporting period, the full principal of the aforementioned products had been recovered.

(2) Entrusted loan management

☐ Applicable ☒ N/A

No such case during the reporting period

4. Other major contracts

☐ Applicable ☒ N/A

No such case during the reporting period

XVI. Explanation of other significant matters

☐ Applicable ☒ N/A

No other significant matters that need to be explained exist during the reporting period.

XVII. Significant Events of the Company's Subsidiaries

☐ Applicable ☒ N/A

Section VII Changes in Shares and Shareholders

I. Changes in shares

1. Table of Changes in Share Capital

Unit: share

	Before the change		Changes in the period (+, -)					After the change	
	Shares	Ratio	New Shares Issued	Bonus issue	Share transferred from capital reserve	Others	Sub-total	Shares	Ratio
1. Shares subject to conditional restriction(s)	4,289,236	0.28%	0	0	0	-4,253,086	-4,253,086	36,150	0.00%
1.1 State holdings	0	0.00%	0	0	0	0	0	0	0.00%
1.2 Shares held by State-owned corporate	0	0.00%	0	0	0	0	0	0	0.00%
1.3. Other domestic holdings	4,289,236	0.28%	0	0	0	-4,253,086	-4,253,086	36,150	0.00%
Including: held by domestic corporates	0	0.00%	0	0	0	0	0	0	0.00%
held by domestic natural persons	4,289,236	0.28%	0	0	0	-4,253,086	-4,253,086	36,150	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: held by overseas corporates	0	0.00%	0	0	0	0	0	0	0.00%
held by overseas natural person	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares without restriction	1,502,155,838	99.72%	0	0	0	4,253,086	4,253,086	1,506,408,924	100.00%
2.1 CNY ordinary shares	1,502,155,838	99.72%	0	0	0	4,253,086	4,253,086	1,506,408,924	100.00%
2.2 Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
2.3 Foreign shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
2.4 Others									
3. Total shares	1,506,445,074	100.00%	0	0	0	0	0	1,506,445,074	100.00%

Reason for share changes

☒Applicable ☐N/A

The main changes in shareholding are due to the changes in locked shares held by current and departing directors, supervisors, and senior management personnel.

Approval for changes in share capital

☐Applicable ☒N/A

Transfer for changes in share capital

☐Applicable ☒N/A

Effects of changes in share capital on the basic earnings per share ("EPS"), diluted EPS, net assets per share attributable to common shareholders of the Company, and other financial indexes over the last year and last period

☐Applicable ☒N/A

Other contents that the Company considers necessary or required by the securities regulatory authorities to disclose

☐Applicable ☒N/A

2. Changes in Restricted Shares

☒Applicable ☐N/A

Unit: share

Name of shareholder	Opening restricted shares	Increased in current period	Vested in current period	Closing restricted shares	Note for restricted shares	Date of unlocking
Zhou Xinhua	2,158,718	0	2,158,718	0	The lock-up period for departing directors has expired, and all restrictions on the shares have been lifted	On August 22, 2024, all shares held were released from the lock-up period.
Cong Xuenian	2,083,718	0	2,083,718	0	The lock-up period for departing directors has expired, and all restrictions on the shares have been lifted	On August 22, 2024, all shares held were released from the lock-up period.
Zheng Bujun	45,000	0	11,250	33,750	Locked shares held by the current directors.	On May 08, 2024, 25% of the shares held were lifted from restrictions on sale, and the remaining shares that have not been lifted from

						restrictions on sale will be lifted in accordance with relevant regulations.
Wang Kai	1,800	600	0	2,400	Lock in upon director's departure	On January 24, 2025, 25% of the shares held were lifted from restrictions on sale, and the remaining shares that have not been lifted from restrictions on sale will be lifted in accordance with relevant regulations.
Total	4,289,236	600	4,253,686	36,150	--	--

II. Issuance and Listing of Securities

1. Securities (exclude Preferred Share) Issued during the Reporting Period

☐ Applicable ☒ N/A

2. Explanation on Changes in Share Capital & the Structure of Shareholders, the Structure of Assets and Liabilities

☐ Applicable ☒ N/A

3. Existent Shares Held by Internal Staff of the Company

☐ Applicable ☒ N/A

III. Particulars about the Shareholders and Actual Controller

1. Total Number of Shareholders and Their Shareholdings

Unit: share

Total number of common shareholders at the end of the reporting period	186,054	Total number of common shareholders at the end of the previous month prior to	187,577	The total number of preferred shareholders whose voting rights have	0	The total number of preference shareholders whose voting rights have	0
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		the annual report disclosure date		been restored at the end of the reporting period (if any) (see Note 8)		been restored at the end of the previous month before the disclosure date of the annual report (if any) (see Note 8)		
Shareholders who hold more than 5% of total shares or the top 10 shareholders (excluding lending of shares through the transfer facility)								
Name of Shareholders	Nature of shareholders	Share-holding percentage (%)	Total common shares held at the end of the reporting period	Increase /decrease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledge, marking or freezing	
							Status	Amount
Jiangsu Yanghe Group Co., Ltd.	State-owned legal person	34.18%	514,858,939	0	0	514,858,939	N/A	0
Jiangsu Blue Alliance Co., Ltd.	Domestic Non-state-owned legal person	17.59%	264,991,926	0	0	264,991,926	N/A	0
Shanghai Haiyan Logistics Development Co., Ltd.	State-owned legal person	9.67%	145,708,137	0	0	145,708,137	N/A	0
Shanghai Jieqiang Tobacco Sugar & Wine (Group) Co., Ltd.	State-owned legal person	3.97%	59,744,099	0	0	59,744,099	N/A	0
Bank of China Limited - China Merchants CSI Baijiu Index Classified Securities Investment Fund	Others	3.12%	46,945,193	- 461,178	0	46,945,193	N/A	0
Bank of China Limited - E Fund Blue Chip Selected Mixed Securities Investment Fund	Others	2.39%	36,000,006	0	0	36,000,006	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal persons	1.64%	24,727,677	- 13,793,169	0	24,727,677	N/A	0

China Securities Finance Corporation Limited	Domestic Non-state-owned legal person	0.92%	13,790,044	0	0	13,790,044	N/A	0
Bank of China Limited - E Fund Premium Selected Hybrid Securities Investment Fund	Others	0.83%	12,500,032	0	0	12,500,032	N/A	0
Xing Fuping	Domestic natural persons	0.73%	10,946,000	10,946,000	0	10,946,000	N/A	0
Strategic investors or general legal persons becoming the top 10 shareholders due to placement of new shares (if any) (see Note 3)		NO						
Explanation of the related relationship or concerted action of the above shareholders		NO						
Explanation of the above-mentioned shareholders involving entrusted/entrusted voting rights and abstention from voting rights		NO						
Special instructions for the existence of a special repurchase account among the top 10 shareholders (if any) (see Note 10)		NO						
Shareholdings of the top 10 shareholders without restrictions on sales								
Name of shareholders		Number of unrestricted shares held at the end of the reporting period				Type of shares		
						Type	Amount	
Jiangsu Yanghe Group Co., Ltd.		514,858,939				CNY common shares	514,858,939	
Jiangsu Blue Alliance Co., Ltd		264,991,926				CNY common shares	264,991,926	
Shanghai Haiyan Logistics Development Co., Ltd.		145,708,137				CNY common shares	145,708,137	
Shanghai Jieqiang Tobacco Sugar & Wine (Group) Co., Ltd.		59,744,099				CNY common shares	59,744,099	
Bank of China Limited—China Merchants CSI Liquor Index Graded Securities Investment Fund		46,945,193				CNY common shares	46,945,193	
Bank of China Limited—E Fund Blue Chip Selected Mixed Securities Investment Fund		36,000,006				CNY common shares	36,000,006	
Hong Kong Securities Clearing Co., Ltd		24,727,677				CNY common shares	24,727,677	
China Securities Finance Co., LTD		13,790,044				CNY common shares	13,790,044	

Bank of China Limited—E Fund Premium Selected Hybrid Securities Investment Fund	12,500,032	CNY common shares	12,500,032
Xing Fuping	10,946,000	CNY common shares	10,946,000
Description of the connected relationship or concerted action among the top 10 shareholders of unrestricted tradable shares, and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	NO		
Explanation on the participation of the top 10 ordinary shareholders in the securities margin trading (if any) (see Note 4)	As of the end of the reporting period, Mr. Xing Fuping, a shareholder of the company, held a total of 10,946,000 shares in the company, comprising 655,400 shares held through a regular securities account and 10,290,600 shares held through a client margin trading and securities lending account with CITIC Securities Company Limited.		

Stock lending situation of shareholders holding more than 5%, top 10 shareholders, and top 10 unrestricted circulating shareholders involved in margin trading and securities lending business

☐ Applicable ☒ N/A

Changes in Top 10 Shareholders and Top 10 Unrestricted Circulating Shareholders Due to Securities Lending/Repayment in Margin Trading.

☐ Applicable ☒ N/A

Any of the Company's top 10 common shareholders or top 10 non-restricted common shareholders conducted any agreed buy-back in the reporting period?

☐ Yes ☒ No

No such case during the current reporting period.

2. Particulars about Controlling Shareholder of the Company

Nature of controlling shareholder: local state-owned holding

Type of controlling shareholder: Corporation

Name of Controlling Shareholder	Legal representative/ People in charge	Date of establishment	Organization Code	Business scope
Jiangsu Yanghe Group Co., LTD	Yang Weiguo	May 8, 1997	91321300142334989Y	The business scope includes grain procurement; import and export of various commodities and technologies on a self-operated or agency basis (excluding commodities and technologies restricted or prohibited from import and export by the state); sales of nickel, molybdenum

				<p>iron, refined nickel-iron, nickel-chromium pig iron, nickel-chromium ore, furnace charge, steel, mechanical parts castings, light stabilizer 944, light stabilizer 622, antioxidant 3114, organic fertilizers, compound fertilizers, chemical raw materials (excluding dangerous goods), viscose staple fibers, cotton pulp pellets, electric bicycles and accessories, lithium batteries, hardware and electrical sales; sales of raw grains; property leasing; industrial investment; municipal public works, building construction projects, tourism and cultural industry investment (business activities shall be carried out with the approval of relevant departments as required by law). General projects: sales of communication equipment; sales of optical communication equipment; sales of electronic products; sales of mobile communication equipment; sales of mobile terminal equipment; wholesale of computer hardware and auxiliary equipment; software development; information system integration services (business activities shall be carried out independently in accordance with the business license, except</p>
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				for projects that require approval by law).
The controlling shareholder reports on the equity status of other domestic and foreign listed companies held or invested in during the reporting period.	N/A			

Change of controlling shareholder during the reporting period

☐ Applicable ☒ N/A

The Company's controlling shareholder has not changed during the reporting period.

3. Particulars about the Company's Actual Controller & Concerted Parties

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

Actual controller type: Corporation

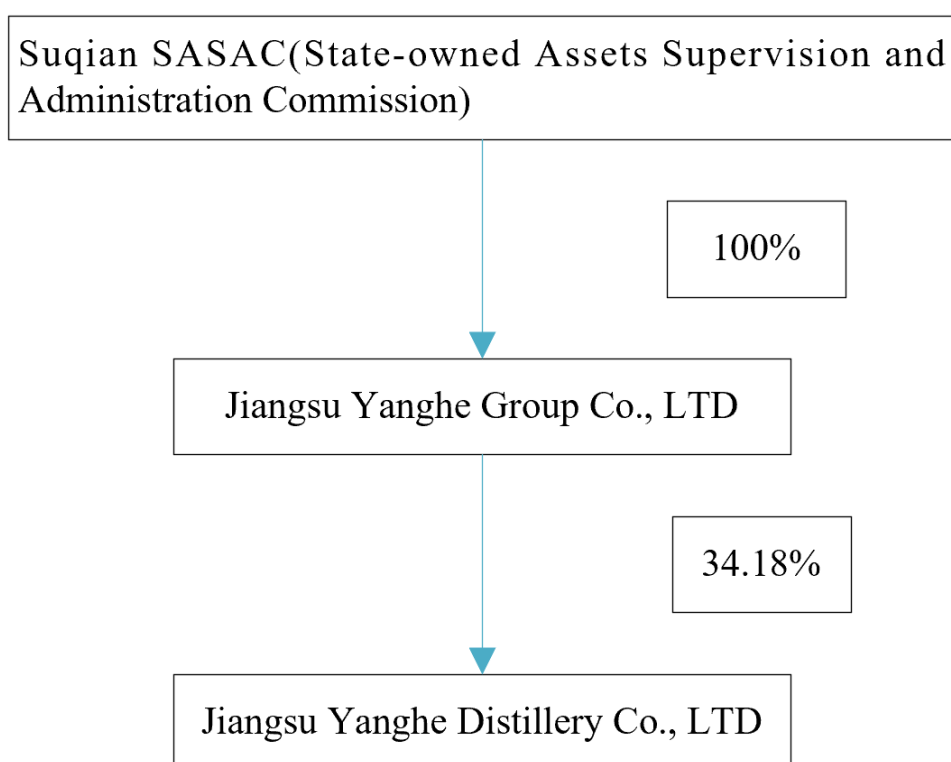
Name of Actual Controller	Legal representative/ People in charge	Date of establishment	Organization Code	Business scope
State-owned Assets Supervision and Administration Commission of Suqian Municipal People's Government	Zhao Xiaoli	October 22, 2005	N/A	On behalf of Suqian Municipal people's Government to execute the responsibilities of state-owned enterprise investors, implementing the supervision and management of state-owned assets and state-owned enterprises.
The equity of other domestic and foreign listed companies controlled by the actual controller during the reporting period	N/A			

Change of the actual controller during the reporting period

☐ Applicable ☒ N/A

No such change during the reporting period.

The ownership and controlling relationship between the actual controller of the Company and the Company is detailed as follows:



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

☐ Applicable ☒ N/A

4. The Company's Controlling Shareholder or the Largest Shareholder and its Concerted Action Person's Cumulative Pledged Shares Account for 80% of the Company's Shares Held by Them

☐ Applicable ☒ N/A

5. Particulars about Other Corporate Shareholders with Shareholding Proportion over 10%

☒ Applicable ☐ N/A

Name of Actual Controller	Legal representative/ People in charge	Date of establishment	Organization Code	Business scope
Jiangsu Blue Alliance Co., LTD	Cong Xuenian	28 July, 2016	CNY 105.6 million	Sales of daily necessities, biotechnology research and development, furniture production, business management consulting services, fruit tree planting, pre-packaged food sales.

6. Particulars on Shareholding Decrease Restrictions for the Controlling Shareholders, Actual Controller, Restructurer or Other Committing Parties

☐Applicable ☒N/A

IV. The specific implementation of share repurchases during the reporting period

The implementation progress of share repurchases

☐Applicable ☒N/A

The implementation progress of reducing repurchased shares by centralized bidding

☐Applicable ☒N/A

Section VIII Preferred Shares

☐ Applicable ☒ N/A

There are no preferred shares in the company during the reporting period.

Section IX Bonds

☐ Applicable ☒ N/A

Section X Financial Report

I. Auditor's report

Type of audit report	Standard and unqualified opinion
Date of signature	27 April 2025
Name of Audit	Zhongxi CPA LLP.
No. of auditor's report	Zhongxi Audit 2025S01382
Names of auditors	Gong Zhaoping, Wang Wenjuan

Body of Audit Report

To all the shareholders of Jiangsu Yanghe Distillery Co., Ltd.:

Opinion

We have audited the financial statements of Jiangsu Yanghe Distillery Co., Ltd. (hereinafter referred to as the “Company”), which comprise the consolidated balance sheet and balance sheet as at 31 December 2024, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the company as at 31 December 2024 and its operating results and cash flow for the year then ended.

Basis for opinion

We conducted our audit in accordance with China Standards on Auditing (“CSAs”) for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of professional ethics for Certified Public Accountants in China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Recognition of revenue	
Please refer to note 27, “Significant Accounting Policies and Accounting Estimates” in Note III, note 36 in Note V “main Items of the Consolidated Financial Statements”.	
Key audit matters	How our audit addressed the key audit matter
The Company’s specific condition of revenue recognition is that revenue	Our procedures in relation to revenue recognition included: (1) Understood, tested and evaluated the effectiveness of internal

<p>is recognized after customer acceptance based on transfer of control. In 2024, the Company's annual operating revenue was CNY28.876 billion. The amount substantial and operating revenue is an important component of income statement. Therefore, we identified operating revenue as a key audit matter.</p>	<p>control of sales and cash receipts cycle designed and executed by the management.</p> <p>(2) Through sampling inspection of the sales contract, identified the contractual rights and obligations, evaluated the point of time of performance obligations and evaluated whether the judgment of the transfer of control related to revenue recognition conforms to the Company's accounting policies and Accounting Standards for Business Enterprises.</p> <p>(3) Judged whether there is an abnormal fluctuation of revenue in the reporting period with the analytic review of revenue and gross profit margin in combination with product category.</p> <p>(4) Sampling inspection of supporting documents related to revenue recognition including sales contracts or orders, invoices, delivery lists or receiving reports, shipping lists and bank slips.</p> <p>(5) Implemented the external confirmation of selected major franchisers and inspected the payback of account receivables after the reporting period in combination with audit of accounts receivable and contract liabilities.</p> <p>(6) Sampling inspection of calculation and accounting treatment of sales discount and sales allowance.</p> <p>(7) Chose samples from sales revenue records before and after the balance sheet date, inspected related supporting documents and evaluated whether the revenue recorded in the appropriate accounting period.</p>
2. Existence, valuation and allocation of inventories	
Please refer to note 13, "Significant Accounting Policies and Accounting Estimates" in Note III, and note 8 in Note V, "main Items of the Consolidated Financial Statements".	
Key audit matters	How our audit addressed the key audit matter
<p>As at 31 December 2024, the book value of inventory is CNY 19.733 billion, accounting for 29.30% of the total assets and 39.21% of all current assets. The book value of the inventories at year end is relatively large and accounts for a relatively large proportion of the total assets at the year end. Therefore, the existence, valuation and allocation of inventories are identified as a key audit matter.</p>	<p>Our procedures in relation to existence, valuation, allocation of inventories included:</p> <p>(1) Understood, tested and evaluated the effectiveness of management's design and implementation of inventory-related internal control.</p> <p>(2) Carried out the inventory analysis review procedure.</p> <p>(3) Supervised the inventory at the end of the period.</p> <p>(4) Sample check of production cost calculation table and other cost accounting data, and conducted valuation test on inventory, and evaluated the accuracy of closing balance of inventory.</p> <p>(5) Obtained the calculation table of provision for stock obsolescence, conduct the inventory impairment test, reviewed the inventory impairment test process, and checked whether the provision for stock obsolescence is made sufficiently.</p>

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors report thereon.

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

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

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

Responsibilities of directors and those charged with governance for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs 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 CSAs, 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 directors.
- (4) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

(6) Obtain sufficient and 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Zhongxi CPA LLP

CPA of China:

CPA of China:

Beijing, China

27 April 2025

II. Financial statements

Consolidated balance sheet

Prepared by: Jiangsu Yanghe Distillery Co., Ltd.

As at 31 December 2024

Unit: CNY

Item	Ending Balance	Beginning Balance
Current assets:		
Cash and bank balances	21, 748, 297, 978. 37	25, 812, 787, 646. 86
Settlement reserves		
Lending funds		
Financial assets held for trading	6, 380, 145, 437. 14	5, 851, 217, 684. 93
Derivative financial assets		
Notes receivables	413, 398, 699. 00	526, 476, 976. 44
Accounts receivables	8, 994, 904. 73	3, 528, 778. 28
Account receivables financing	1, 090, 851, 688. 67	261, 576, 568. 30
Prepayment	23, 310, 180. 68	50, 971, 870. 03
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve		
Other receivables	17, 051, 847. 78	57, 782, 263. 17
Including: Interests receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	19, 732, 881, 051. 73	18, 954, 235, 402. 25
Including: Data Resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	909, 932, 715. 44	1, 016, 160, 416. 30
Total current assets	50, 324, 864, 503. 54	52, 534, 737, 606. 56
Non-current assets:		
Disbursement of loans and advances		
Investment in debt instruments		
Investment in other debt instruments		
Long-term receivables		
Long-term equity investments	1, 235, 408, 741. 87	1, 229, 838, 793. 04
Investment in other equity instruments		
Other non-current financial assets	4, 614, 148, 799. 21	5, 532, 792, 281. 26
Investment property		

Fixed assets	5, 571, 618, 070. 98	5, 305, 626, 964. 48
Construction in progress	1, 912, 601, 220. 28	1, 457, 315, 739. 56
Productive biological assets		
Oil and gas assets		
Right-of-use asset	66, 814, 914. 62	82, 464, 551. 16
Intangible assets	1, 804, 220, 059. 96	1, 773, 115, 842. 97
Including: Data Resource		
Development expenses		
Including: Data Resource		
Goodwill	276, 001, 989. 95	276, 001, 989. 95
Long-term deferred expenses	116, 472, 530. 48	8, 052, 339. 84
Deferred tax assets	1, 242, 507, 668. 92	1, 326, 312, 613. 59
Other non-current assets	180, 606, 719. 81	266, 028, 733. 50
Total non-current assets	17, 020, 400, 716. 08	17, 257, 549, 849. 35
Total assets	67, 345, 265, 219. 62	69, 792, 287, 455. 91
Current liabilities:		
Short-term loans		
Borrowings from the central bank		
Loans from other banks		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payables	1, 264, 620, 215. 06	1, 425, 873, 552. 42
Advance from customer		
Contract liabilities	10, 343, 779, 848. 07	11, 104, 763, 487. 18
Financial assets sold for repurchase		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Receivings from vicariously sold securities		
Employee benefits payable	299, 707, 073. 73	338, 213, 836. 87
Taxes payable	564, 746, 863. 05	1, 009, 471, 862. 46
Other payables	2, 066, 406, 374. 07	2, 024, 640, 485. 37
Including: Interests payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payables		
Liabilities held for sale		
Non-current liabilities due within one year	23, 588, 100. 85	25, 080, 946. 40
Other current liabilities	695, 673, 863. 30	1, 247, 749, 929. 26

Total current liabilities	15,258,522,338.13	17,175,794,099.96
Non-current liabilities:		
Insurance contract reserves		
Long-term loans		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	40,134,989.46	48,709,685.88
Long-term payables	195,638,914.53	196,013,394.53
Long-term payroll payables		
Accrued liabilities	2,000,000.00	
Deferred income	45,530,066.67	87,520,166.67
Deferred tax liabilities	110,393,056.95	234,386,134.01
Other non-current liabilities		
Total non-current liabilities	393,697,027.61	566,629,381.09
Total liabilities	15,652,219,365.74	17,742,423,481.05
Shareholders' equity		
Share capital	1,506,445,074.00	1,506,445,074.00
Other equity instruments		
Including: preference shares		
Perpetual bonds		
Capital reserves	930,146,459.78	930,524,463.31
Less: treasury stock		
Other comprehensive income	-1,225,575.49	2,023,194.81
Special reserves		
Surplus reserves	753,494,000.00	753,494,000.00
General risk reserve		
Undistributed profits	48,399,383,170.36	48,746,028,613.08
Total equity attributable to owners of the parent company	51,588,243,128.65	51,938,515,345.20
Non-controlling interests	104,802,725.23	111,348,629.66
Total owners' equity	51,693,045,853.88	52,049,863,974.86
Total liabilities and owners' equity	67,345,265,219.62	69,792,287,455.91

Legal representative: Zhang Liandong

Person in charge of accounting affairs: Yin Qiuming

Person in charge of accounting department: Zhao Qike

Balance sheet of parent company

As at 31 December 2024

Unit: CNY

Item	Ending Balance	Beginning Balance
Current assets:		

Cash and bank balances	18,026,699,995.33	23,078,403,040.50
Financial assets held for trading	5,880,053,441.08	4,353,570,013.70
Derivative financial assets		
Notes receivables	365,519,104.00	355,328,831.49
Accounts receivables	280,194,833.50	95,491,609.32
Account receivables financing	804,449,307.36	
Prepayment	69,477,477.38	55,401,319.74
Other receivables	430,983,882.60	2,510,993,906.82
Including: Interests receivable		
Dividends receivable		519,220.27
Inventories	12,737,571,701.91	12,298,697,844.56
Including: Data Resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	46,583,153.33	238,168,160.66
Total current assets	38,641,532,896.49	42,986,054,726.79
Non-current assets:		
Investment in debt instruments		
Investment in other debt instruments		
Long-term receivables		
Long-term equity investments	9,532,358,054.59	9,530,201,578.43
Investment in other equity instruments		
Other non-current financial assets	1,713,315,303.51	1,782,878,797.80
Investment property		
Fixed assets	3,437,400,309.66	3,327,872,021.12
Construction in progress	332,536,085.42	495,375,718.02
Productive biological assets		
Oil and gas assets		
Right-of-use asset	3,503,051.26	615,303.37
Intangible assets	1,128,055,608.65	1,133,200,138.15
Including: Data Resource		
Development expenses		
Including: Data Resource		
Goodwill		
Long-term deferred expenses	102,297,788.44	8,052,339.84
Deferred tax assets	26,541,057.86	33,504,216.38
Other non-current assets	166,700,132.43	194,423,677.41
Total Non-current Assets	16,442,707,391.82	16,506,123,790.52
Total Assets	55,084,240,288.31	59,492,178,517.31

Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payables	1, 121, 399, 732. 48	3, 210, 117, 125. 20
Advance from customer		
Contract liabilities	13, 821, 314, 226. 37	16, 052, 768, 704. 31
Employee benefits payable		
Taxes payable	306, 330, 294. 15	157, 200, 430. 68
Other payables	2, 097, 128, 345. 98	2, 280, 556, 716. 49
Including: Interests payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	1, 138, 685. 00	369, 739. 52
Other current liabilities	1, 873, 926, 418. 76	2, 267, 828, 469. 82
Total current liabilities	19, 221, 237, 702. 74	23, 968, 841, 186. 02
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including : preference shares		
Perpetual bonds		
Lease liabilities	2, 455, 456. 12	286, 396. 18
Long-term payables	143, 340, 029. 73	143, 601, 709. 73
Long-term payroll payables		
Provisions		
Deferred income	7, 791, 666. 67	8, 791, 666. 67
Deferred tax liabilities	51, 572, 093. 98	55, 706, 044. 02
Other non-current liabilities		
Total non-current liabilities	205, 159, 246. 50	208, 385, 816. 60
Total liabilities	19, 426, 396, 949. 24	24, 177, 227, 002. 62
Owners' equity (or shareholders' equity)		
Share capital	1, 506, 445, 074. 00	1, 506, 445, 074. 00
Other equity instruments		
Including: preference shares		
Perpetual bonds		
Capital reserves	1, 530, 620, 394. 11	1, 530, 620, 394. 11
Less: treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserves	753, 494, 000. 00	753, 494, 000. 00

Undistributed profits	31,867,283,870.96	31,524,392,046.58
Total owners' equity	35,657,843,339.07	35,314,951,514.69
Total liabilities and owners' equity	55,084,240,288.31	59,492,178,517.31

Consolidated Income Statement

For the year ended 31 December 2024

Unit: CNY

Item	Year 2024	Year 2023
1. Total operating revenue	28,876,296,993.56	33,126,277,551.51
Including: Operating revenue	28,876,296,993.56	33,126,277,551.51
Interest income		
Earned premium		
Fee and commission income		
2. Total operating costs	19,512,180,569.56	20,151,096,010.15
Including: cost of sales	7,751,218,356.66	8,200,245,255.42
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	4,826,086,952.64	5,269,245,592.35
Selling and distribution expenses	5,516,238,544.79	5,386,953,700.62
General and administrative expenses	1,924,730,302.35	1,764,423,149.06
Research and Development expenses	104,796,407.26	284,753,881.33
Financial expenses	-610,889,994.14	-754,525,568.63
Including: Interest expenses	2,955,080.49	1,707,107.98
Interest income	621,439,988.97	765,369,577.25
Plus: Other income	59,667,934.13	56,179,399.53
Investment income ("-" for losses)	146,415,168.80	255,520,777.61
Including: income from investment in associates and joint ventures	-7,094,112.58	-2,070,468.13
Disposal of financial instruments at a mortised cost ("-" for losses)	-14,336,475.80	-27,758,655.92
Foreign exchange gains ("-" for losses)		
Net exposure to hedging gains("-"for loss)		

Gains from the changes in fair values ("-" for losses)	-396,164,080.43	-37,082,477.77
Losses from credit impairment ("-" for losses)	667,208.93	881,383.32
Losses from asset impairment ("-" for losses)	-11,203,156.73	-2,828,018.24
Gains from disposal of assets ("-" for losses)	-2,729,328.84	-5,282,977.32
3. Operating profits ("-" for losses)	9,160,770,169.86	13,242,569,628.49
Plus: non-operating income	52,446,752.81	39,176,788.83
Less: non-operating expenses	70,140,310.99	63,913,298.25
4. Total profits before tax ("-" for total losses)	9,143,076,611.68	13,217,833,119.07
Less: income tax expenses	2,476,620,791.72	3,197,064,562.60
5. Net profit ("-" for net loss)	6,666,455,819.96	10,020,768,556.47
Classification by operating continuity		
Net profit from continuing operation ("-" for losses)	6,666,455,819.96	10,020,768,556.47
Net profit from discontinued operation ("-" for losses)		
Classification by owners		
Attributable to owners of the parent company	6,673,388,602.12	10,015,930,040.27
Attributable to non-controlling interests	-6,932,782.16	4,838,516.20
6. Net of tax from other comprehensive income	-3,239,896.10	46,942.15
Net of tax from other comprehensive income to the owner of the parent company	-3,248,770.30	41,157.80
Other comprehensive income cannot reclassified into the profit and loss:		
Including: Changes in remeasured defined benefit obligations		
Share in other comprehensive income that cannot be classified into profit and loss under equity method		
Changes in the fair value of other equity instruments		
Fair value changes in enterprise's own credit risk		
Others		
Other comprehensive income that will be reclassified into the profit and loss	-3,248,770.30	41,157.80
Including: Share in other comprehensive income that will be		

classified into profit and loss under equity method		
Net gain on debt instruments at fair value through other comprehensive income		
The amount of financial assets reclassified into other comprehensive income		
Other debt investment credit impairment provision		
Cash flow hedging reserve		
Balance arising from the translation of foreign currency financial statements	-3, 248, 770. 30	41, 157. 80
Others		
Net of tax from other comprehensive income to non-controlling interests	8, 874. 20	5, 784. 35
7. Total comprehensive income	6, 663, 215, 923. 86	10, 020, 815, 498. 62
Total comprehensive income attributable to owners of the parent company	6, 670, 139, 831. 82	10, 015, 971, 198. 07
Total comprehensive income attributable to non-controlling interests	-6, 923, 907. 96	4, 844, 300. 55
8. Earnings per share		
(1) Basic earnings per share	4. 4299	6. 6487
(2) Diluted earnings per share	4. 4299	6. 6487

Where an enterprise is merged under the same control in the current period, the net profit realized by the merged party before the merger is: CNY 0.00, and the net profit realized by the merged party in the previous period is: CNY 0.00.

Legal representative: Zhang Liandong

Person in charge of accounting affairs: Yin Qiuming

Person in charge of accounting department: Zhao Qike

Income statement of parent company For the year ended 31 December 2024

Unit: CNY

Item	Year 2024	Year 2023
1. Operating revenue	12, 852, 221, 243. 40	13, 212, 200, 864. 23
Less: Cost of sales	6, 840, 375, 733. 91	6, 866, 625, 130. 04
Taxes and surcharges	3, 870, 675, 967. 65	4, 286, 738, 232. 15
Selling and distribution expenses	43, 493, 351. 83	21, 375, 400. 72
General and administrative	1, 020, 972, 213. 60	967, 000, 222. 04

expenses		
Research and Development expenses	102,303,188.29	273,595,370.01
Financial expenses	-518,365,619.77	-711,466,339.14
Including: Interest expenses	198,899.22	43,225.12
Interest income	525,826,877.54	718,317,862.75
Plus: Other income	11,169,819.69	11,391,006.14
Investment income ("-" for losses)	6,266,148,989.03	6,555,756,927.65
Including: income from investment in associates and joint ventures	-83,523.84	300,199.49
Disposal of financial instruments at a mortised cost ("-" for losses)	-14,336,475.80	-27,758,655.92
Net exposure to hedging gains ("-"for loss)		
Gains from the changes in fair values ("-" for losses)	39,708,601.59	-319,221,773.34
Losses from credit impairment ("-" for losses)	-56,518,255.22	-486,029.72
Losses from asset impairment ("-" for losses)	-11,388,852.76	-2,985,642.31
Gains from disposal of assets ("-" for losses)		220,085.06
2. Operating profits ("-" For Losses)	7,741,886,710.22	7,753,007,421.89
Plus: non-operating income	22,015,501.36	14,670,553.09
Less: non-operating expenses	8,430,010.79	31,017,552.84
3. Total profits before tax ("-" For Total Losses)	7,755,472,200.79	7,736,660,422.14
Less: income tax expenses	392,546,331.57	254,522,291.88
4. Net profit ("-" For Net Loss)	7,362,925,869.22	7,482,138,130.26
Net profit from continuing operation ("-" for losses)	7,362,925,869.22	7,482,138,130.26
Net profit from discontinued operation ("-" for losses)		
5. Net of tax from other comprehensive income		
Other comprehensive income cannot reclassified into the profit and loss:		
Including: Changes in remeasured defined benefit obligations		
Other comprehensive income that cannot be transferred under the equity method		
Net gain on equity instrument at fair value through other comprehensive income		
Fair value changes in enterprise's own credit risk		

Others		
Other comprehensive income that will be reclassified into the profit and loss		
Including: Share in other comprehensive income that will be classified into profit and loss under equity method		
Net gain on debt instruments at fair value through other comprehensive income		
The amount of financial assets reclassified into other comprehensive income		
Other debt investment credit impairment provision		
Cash flow hedging reserve		
Balance arising from the translation of foreign currency financial statements		
others		
6. Total comprehensive income	7, 362, 925, 869. 22	7, 482, 138, 130. 26
7. Earnings per share		
(1)Basic earnings per share		
(2)Diluted earnings per share		

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

Unit: CNY

Item	Year 2023	Year 2022
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	30, 813, 853, 834. 25	34, 853, 832, 478. 90
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 for the sale of securities		
Refunds of taxes and surcharges	7, 654, 144. 19	2, 297, 371. 73
Cash received from other operating activities	1, 123, 602, 383. 62	900, 430, 985. 55
Sub-total of cash inflows from operating activities	31, 945, 110, 362. 06	35, 756, 560, 836. 18
Cash paid for goods purchased and services received	8, 265, 541, 593. 44	9, 046, 851, 531. 74
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		
A net increase in divested funds		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	3, 691, 944, 709. 50	3, 631, 502, 767. 93
Cash paid for taxes and surcharges	10, 470, 592, 260. 63	12, 151, 041, 331. 84
Cash paid for other operating activities	4, 888, 320, 561. 21	4, 796, 944, 336. 71
Sub-total of cash outflows from operating activities	27, 316, 399, 124. 78	29, 626, 339, 968. 22
Net cash flows from activities operating	4, 628, 711, 237. 28	6, 130, 220, 867. 96
2. Cash flows from investing activities		
Cash received from disposal of investments	13, 628, 114, 333. 52	11, 154, 008, 547. 25
Cash received from returns on investments	153, 509, 281. 38	257, 591, 245. 74
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1, 862, 196. 56	1, 872, 403. 96
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		

Sub-total of cash inflows from investing activities	13, 783, 485, 811. 46	11, 413, 472, 196. 95
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	1, 454, 019, 811. 57	1, 111, 629, 485. 17
Cash paid for investments	13, 631, 711, 455. 57	9, 640, 808, 034. 84
Net increase in pledge loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	15, 085, 731, 267. 14	10, 752, 437, 520. 01
Net cash flows from investing activities	-1, 302, 245, 455. 68	661, 034, 676. 94
3. Cash flows from financing activities		
Cash received from investors		57, 000, 000. 00
Including: cash received by subsidiaries from investments by minority shareholders		57, 000, 000. 00
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		57, 000, 000. 00
Cash paid for debt repayments		
Cash paid for distribution of dividends and profits or payment of interest	7, 020, 034, 044. 84	5, 634, 104, 576. 76
Including: dividends and profits paid to minority shareholders by subsidiaries		
Cash paid for other financing activities	29, 771, 076. 14	31, 233, 718. 70
Sub-total of cash outflows from financing activities	7, 049, 805, 120. 98	5, 665, 338, 295. 46
Net cash flows from financing activities	-7, 049, 805, 120. 98	-5, 608, 338, 295. 46
4. Effect of fluctuation in exchange rate on cash and cash equivalents	3, 627, 396. 73	-910, 236. 76
5. Net increase in cash and cash equivalents	-3, 719, 711, 942. 65	1, 182, 007, 012. 68
Plus: balance of cash and cash equivalents at the beginning of the period	25, 201, 023, 553. 40	24, 019, 016, 540. 72
6. Balance of cash and cash equivalents at the end of the period	21, 481, 311, 610. 75	25, 201, 023, 553. 40

Cash flow statements of parent company

For the year ended 31 December 2024

Unit: CNY

Item	Year 2024	Year 2023
1. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	10,760,412,245.05	14,975,434,852.75
Refunds of taxes and surcharges	7,589,257.55	2,297,371.73
Cash received from other operating activities	5,701,098,312.94	526,760,153.32
Sub-total of cash inflows from operating activities	16,469,099,815.54	15,504,492,377.80
Cash paid for goods purchased and services received	9,173,435,682.10	5,294,280,877.13
Cash paid to and on behalf of employees	1,530,381,430.54	1,470,245,728.10
Cash paid for taxes and surcharges	4,594,080,593.05	6,085,955,339.44
Cash paid for other operating activities	3,281,240,424.57	3,272,079,710.56
Sub-total of cash outflows from operating activities	18,579,138,130.26	16,122,561,655.23
Net cash flows from activities operating	-2,110,038,314.72	-618,069,277.43
2. Cash flows from investing activities		
Cash received from disposal of investments	10,688,548,668.50	7,041,027,668.46
Cash received from returns on investments	6,266,751,733.14	6,554,937,507.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	90,265.49	332,189.17
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities	16,955,390,667.13	13,596,297,365.52
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	396,128,024.47	420,020,950.78
Cash paid for investments	12,110,000,000.00	7,298,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	12,506,128,024.47	7,718,020,950.78
Net cash flows from investing activities	4,449,262,642.66	5,878,276,414.74

3. Cash flows from financing activities		
Cash received from investors		
Cash received from loans		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for debt repayments		
Cash paid for distribution of dividends and profits or payment of interest	7, 020, 034, 044. 84	5, 634, 104, 576. 76
Cash paid for other financing activities	1, 533, 750. 64	546, 330. 28
Sub-total of cash outflows from financing activities	7, 021, 567, 795. 48	5, 634, 650, 907. 04
Net cash flows from financing activities	-7, 021, 567, 795. 48	-5, 634, 650, 907. 04
4. Effect of fluctuation in exchange rate on cash and cash equivalents	424, 015. 80	804, 193. 37
5. Net increase in cash and cash equivalents	-4, 681, 919, 451. 74	-373, 639, 576. 36
Plus: balance of cash and cash equivalents at the beginning of the period	22, 510, 052, 919. 64	22, 883, 692, 496. 00
6. Balance of cash and cash equivalents at the end of the period	17, 828, 133, 467. 90	22, 510, 052, 919. 64

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2024

Unit: CNY

Item	Year 2024														
	Equity attributable to owners of the parent company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Share capital	Other equity instruments	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
		Preferr ed stock	Perpetual bond	Others											
1. Balance as at 31 December of last year	1, 506, 445 , 074. 00				930, 524, 463. 31		2, 023, 194 . 81		753, 494, 0 00. 00		48, 746, 028 , 613. 08		51, 938 , 515, 3 45. 20	111, 348, 62 9. 66	52, 049, 863 , 974. 86
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior year															
Others															
2. Balance as at January 1 of the current year	1, 506, 445 , 074. 00				930, 524, 463. 31		2, 023, 194 . 81		753, 494, 0 00. 00		48, 746, 028 , 613. 08		51, 938 , 515, 3 45. 20	111, 348, 62 9. 66	52, 049, 863 , 974. 86
3.Increases/decreases in the current year (" -" for decreases)					— 378, 003. 53		— 3, 248, 770 . 30				— 346, 645, 44 2. 72		— 350, 27 2, 216. 55	— 6, 545, 904. 43	— 356, 818, 12 0. 98
(1) Total comprehensive income							— 3, 248, 770 . 30				6, 673, 388, 602. 12		6, 670, 139, 83 1. 82	— 6, 923, 907. 96	6, 663, 215, 923. 86

(2) Capital contributed or reduced by owners					378,003.53								378,003.53		
Capital contributions by owners															
Capital contributions by other equity instruments holders															
Amounts of share-based payments recognized in owners' equity															
Others					378,003.53								378,003.53		
(3) Profit distribution											7,020,034,044.84		7,020,034,044.84		7,020,034,044.84
Withdrawal of surplus reserves															
Withdrawal of general risk reserve															
Profit distributed to owners (or shareholders)											7,020,034,044.84		7,020,034,044.84		7,020,034,044.84
Others															
(4) Internal carry-forward of owners' equity															

Conversion of capital reserves into paid-in capital															
Conversion of surplus reserves into paid-in capital															
Surplus reserves offsetting losses															
Amount of Changes in setting benefit plan transfer to retained earnings															
Other comprehensive income transferred to retained earnings															
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others															
4. Balance as at 31 December of the current year	1, 506, 445, 074. 00				930, 146, 459. 78		— 1, 225, 575 . 49		753, 494, 000. 00		48, 399, 383, 170. 36		51, 588, 243, 128. 65	104, 802, 725. 23	51, 693, 045, 853. 88

Item	Year 2023				
	Equity attributable to owners of the parent company			Non-	Total

	Share capital	Other equity instruments			Capital reserve	Less :Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal	controlling interests	shareholders' equity
		Preferred stock	Perpetual bond	Others											
1. Balance as at 31 December of last year	1,506,988,000.00				904,650,678.91	56,278,680.79	1,982,037.01		753,494,000.00		44,364,203,149.57		47,475,039,184.70	49,504,329.11	47,524,543,513.81
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior year															
Others															
2. Balance as at January 1 of the current year	1,506,988,000.00				904,650,678.91	56,278,680.79	1,982,037.01		753,494,000.00		44,364,203,149.57		47,475,039,184.70	49,504,329.11	47,524,543,513.81
3.Increases/decreases in the current year (" - " for decreases)	542,926.00				25,873,784.40	56,278,680.79	41,157.80				4,381,825,463.51		4,463,476,160.50	61,844,300.55	4,525,320,461.05
(1) Total comprehensive income							41,157.80				10,015,930,040.27		10,015,971,198.07	4,844,300.55	10,020,815,498.62
(2) Capital contributed or reduced by owners	542,926.00				25,873,784.40	56,278,680.79							81,609,539.19	57,000,000.00	138,609,539.19
Capital contributions by owners														57,000,000.00	57,000,000.00

Capital contributions by other equity Instruments holders															
Amounts of share-based payments recognized in owners' equity					81,609,539.19								81,609,539.19		81,609,539.19
Others	542,926.00				55,735,754.79	56,278,680.79									
(3) Profit distribution											5,634,104,576.76		5,634,104,576.76		5,634,104,576.76
Withdrawal of surplus reserves															
Withdrawal of general risk reserve															
Profit distributed to owners (or shareholders)											5,634,104,576.76		5,634,104,576.76		5,634,104,576.76
Others															
(4) Internal carry-forward of owners' equity															
Conversion of capital reserves into paid-in capital															
Conversion of surplus reserves into paid-in capital															

Surplus reserves offsetting losses															
Carry-forward of retained earnings from changes in defined benefit plans															
Other comprehensive income transferred to retained earnings															
Others															
(5) Special reserves															
Withdrawal for the period															
Use for the period															
(6) Others															
4. Balance as at 31 December of the current year	1,506,445,074.00				930,524,463.31		2,023,194.81		753,494,000.00		48,746,028,613.08		51,938,515,345.20	111,348,629.66	52,049,863,974.86

Statement of changes in shareholders' equity of parent company
For the year ended 31 December 2024

Unit: CNY

Item	Year 2024									
	Share	Other equity instruments								

	capital	Preferred stock	Perpetual bond	Others	Capital reserve	Less : Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	Undistributed profit	Others	Total shareholder s' equity
1. Balance as at 31 December of last year	1, 506, 445 , 074. 00				1, 530, 620, 394. 11				753, 494, 000. 00	31, 524, 392, 046. 58		35, 314, 951, 514 . 69
Plus: adjustments for changes in accounting policies												
adjustments for correction of accounting errors in prior year												
Others												
2. Balance as at January 1 of the current year	1, 506, 445 , 074. 00				1, 530, 620, 394. 11				753, 494, 000. 00	31, 524, 392, 046. 58		35, 314, 951, 514 . 69
3.Increases/decreases in the current year (" -" for decreases)										342, 891, 824. 38		342, 891, 824. 38
(1) Total comprehensive income										7, 362, 925, 869. 22		7, 362, 925, 869. 22
(2) Capital contributed or reduced by owners												
Capital contributions by owners (common stock)												

Capital contributions by other equity instruments holders												
Amounts of share-based payments recognized in owners' equity												
Others												
(3)Profit distribution										7,020,034,044.84 ⁻		7,020,034,044.84 ⁻
Withdrawal of surplus reserves												
Profit distributed to owners (or shareholders)										7,020,034,044.84 ⁻		7,020,034,044.84 ⁻
Others												
(4) Internal carry-forward of owners' equity												
Conversion of capital reserves into paid-in capital												
Conversion of surplus reserves into paid-in capital												
Surplus reserves offsetting losses												
Amount of Changes in setting benefit plan transfer to retained earnings												

Other comprehensive income transferred to retained earnings												
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												
(6) Others												
4. Balance as at 31 December of the current year	1, 506, 445 , 074. 00				1, 530, 620, 394. 11				753, 494, 000. 00	31, 867, 283, 870. 96		35, 657, 843, 339 . 07

Item	Year 2023											
	Share capital	Other equity instruments			Capital reserve	Less : Treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	Undistributed profit	Others	Total shareholders' equity
		Preferred stock	Perpetual bond	Others								
1. Balance as at 31 December of last year	1, 506, 988, 000. 00				1, 504, 746, 609. 71	56, 278, 680. 79			753, 494, 000. 00	29, 676, 358, 493. 08		33, 385, 308, 422. 00
Plus: adjustments for changes in accounting policies												
adjustments for correction of accounting errors												

in prior year												
Others												
2. Balance as at January 1 of the current year	1,506,988,000.00				1,504,746,609.71	56,278,680.79			753,494,000.00	29,676,358,493.08		33,385,308,422.00
3.Increases/decreases in the current year (" - " for decreases)	–542,926.00				25,873,784.40	–56,278,680.79				1,848,033,553.50		1,929,643,092.69
(1) Total comprehensive income										7,482,138,130.26		7,482,138,130.26
(2) Capital contributed or reduced by owners	–542,926.00				25,873,784.40	–56,278,680.79						81,609,539.19
Capital contributions by owners (common stock)												
Capital contributions by other equity instruments holders												
Amounts of share-based payments recognized in owners' equity					81,609,539.19							81,609,539.19
Others	–542,926.00				–55,735,754.79	–56,278,680.79						
(3)Profit distribution										–5,634,104,576.76		–5,634,104,576.76
Withdrawal of												

surplus reserves												
Profit distributed to owners (or shareholders)										-5,634,104,576.76		- 5,634,104,576.76
Others												
(4) Internal carry-forward of owners' equity												
Conversion of capital reserves into paid-in capital												
Conversion of surplus reserves into paid-in capital												
Surplus reserves offsetting losses												
Amount of Changes in setting benefit plan transfer to retained earnings												
Other comprehensive income transferred to retained earnings												
Others												
(5) Special reserves												
Withdrawal for the period												
Use for the period												

(6) Others												
4. Balance as at 31 December of the current year	1, 506, 445, 074. 00				1, 530, 620, 394. 11				753, 494, 000. 00	31, 524, 392, 046. 58		35, 314, 951, 514. 6 9

III. Company profile

Jiangsu Yanghe Distillery Co., Ltd.(hereinafter referred to as “the Company”)was established on 26 December 2002, verified by the Government of Jiangsu Province, details referred to Reply on The approval of Establishment of Jiangsu Yanghe Distillery Co., Ltd. by the provincial government (SuZhengFu [2002]No.155), and it was a company founded by Jiangsu Yanghe Group Co., Ltd., Shanghai Haiyan Logistics Development Co., Ltd., Nantong Zongyi Investment Co., Ltd., Shanghai Jieqiang Tobacco Sugar & Wine (Group) Co., Ltd., Jiangsu Venture Capital Co.,Ltd., China National Research Institute of Food and Fermentation Industries Co. Ltd., Nantong Shengfu Industrial Trade Co., Ltd. and Yang Yandong and other totally 14 nature persons.

On 13 October 2009, the Company was verified by China Securities Regulatory Commission, according to the document Reply on Approving Initial Public Offering of Jiangsu Yanghe Distillery Co., Ltd. (Zheng Jian Approval [2009] No.1077). The Company announced the initial public offering of 45,000,000 common shares on 27 February 2009 and was listed for transactions in SZSE since 6 November 2009.

According to the Proposal of the cancellation of the remaining shares in the repurchase special securities account approved by 2023 first extraordinary general meeting of shareholders on 15 September 2023, the company cancelled 542,926 shares. The share cancellation procedures were completed on October 12, 2023. After this share cancellation, the company's registered capital changed to 1,506,445,074 yuan, and the total number of shares became 1,506,445,074 shares.

Registered address of the Company: 118 Middle Avenue, Yanghe Town, Suqian City, Jiangsu Province

Company type: Incorporated company (Listed)

Industry of the Company: Brewing food industry

Business scope of the Company: production and sale of liquor, wholesaling and retailing of prepackaged food, grain purchase, self-operating and agency of import and export of various types of merchandise and technology excluding merchandise and technology limited or prohibited by the state for import and export, domestic trade, construction of e- commerce platform and online sales. (Business activities of projects needed to be approved by law must be approved according to related departments)

Parent company of the Company:Jiangsu Yanghe Group Co.,Ltd.

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries are included in the consolidation scope of the consolidated financial statements.

Changes of the scope of consolidation are as follows:

1. Subsidiaries that are newly incorporated into the scope of consolidation are shown in the following table:

Name	Measure of acquisition
Tibet Yangmengwei Wine Co., Ltd	Newly establishment
Suqian Yiguoxiang Biotechnology Co., Ltd	Newly establishment
Hangzhou Yiguoxiang Brand Operation Management Co., Ltd	Newly establishment
Hainan Yanghe Trading Co., Ltd	Newly establishment

2. Entities No Longer Included in the Scope of Consolidation During the Current Period:

Name	Reasons for exclusion from consolidation
Jiangsu Shiyang Network Technology Co., Ltd	deregister
Jiangsu Yanghe Microcosmos Network Technology Co., Ltd	deregister

3. Details of the subsidiaries incorporated into the consolidated financial statements show on “Note 10. 1.Interests in subsidiaries”, Changes in the scope of consolidation show on “Note 9. Change in consolidated scope”.

IV. Basis of preparation of financial statements

1. Basis of preparation

The Company has prepared its financial statements on a going concern basis, and recognized and measured its accounting items in compliance with the Accounting Standards for Business Enterprises—Basic Standards and various concrete accounting standards, and other relevant provisions on the basis of actual transactions and events.

2. Going concern

The Company has sustainable operation ability for at least 12 months from the end of the reporting period. In addition, there is no significant event affecting going concern.

V. Significant accounting policies and accounting estimates

The disclosure requirements of food and wine manufacturing-related industries in the Guidelines for Self-regulation NO.3 of Listed Companies of Shenzhen Stock Exchange -Industry Information Disclosure shall be observed

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the group's financial position, the Company's and results of operations, and changes in shareholders' equity, cash flows and other related information for the reporting period.

2. Accounting period

The Company's accounting period is calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Operating cycle

The Company's accounting period is 12 months.

4. Functional currency

The Company has adopted China Yuan (CNY) as functional currency.

5. Methods for Determining Importance Standards and Selection Criteria.

☒Applicable ☐N/A

Project	importance criteria
Significant individual provision for bad debts on accounts receivable	Individual amount exceeds 1% of total assets
Significant construction in progress	Individual amount exceeds 1% of total assets
Significant non-wholly-owned subsidiaries	Net profit accounts for 10% of the consolidated financial statements.

6. The accounting treatment of business combinations involving enterprises under common control and not under common control

(1) Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method.

Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the combine's accounting record on the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial statements. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings

shall be adjusted.

(2) Accounting treatment method of business combination not under common control

The Company accounts for business combination not under common control under purchase method.

a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured at fair value. Assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination are generally measured at fair value on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

b) The cost of acquisition shall be respectively determined for the following conditions;

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair value of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

ii. Business combination through multiple transactions step by step to realized, the combination cost shall be the sum of the fair value measurement on the acquisition of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Long-term equity investment cost in individual financial statements shall be the sum of the book value of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. A package deal is excluded.

c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination (not limited to those that have been recognized by the acquiree), other than intangible assets, shall be separately recognized and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognized and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognized and measured at fair value when fulfillment of relevant obligations is expected to bring future economic benefits to the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognized as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognizes the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognized by the acquiree before the business combination.

d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognize the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

Review the measurement of fair values of all the identifiable assets, liabilities and contingent liabilities acquired from the acquiree and the combination costs;

After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

(3) Treatment of relevant expenses arising from the Company's business combination

a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination) shall be included in the current profit and loss when they are incurred.

b) Commissions, fees and other expenses paid on issuance of bonds and undertaking of other debts for the business combination shall be included in the initial measurement amount of debt securities.

i. Where the bonds are issued at discount or par value, that part of expenses will increase the amount of the discount;

ii. Where the bonds are issued at premium, that part of expenses will decrease the amount of the premium.

c) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

7. Criteria for determining control and Preparation of consolidated financial statements

(1) Criteria for determining control

The determination of the scope of consolidation of the consolidated financial statements is based on control. Control refers to the investor having power over the investee, enjoying variable returns through involvement in the investee's activities, and having the ability to influence the amount of returns through the exercise of power over the investee. When changes in relevant facts and circumstances lead to changes in the elements involved in the definition of control, the company will conduct a reassessment.

(2) Preparation of consolidated financial statements

(a) Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

(b) Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

(c) Reflection of excess losses incurred to a subsidiary in the consolidated financial statements

In the consolidated financial statements, where the current losses undertaken by the parent company are in excess of its share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the owners' equity (retained earnings) of the parent company; where the current losses undertaken by a subsidiary's non-controlling shareholders exceed those non-controlling shareholders' share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the non-controlling interests.

(d) Changes in number of subsidiaries during the reporting period

a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting

period

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the opening balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flows.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the opening balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the opening balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed subsidiaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flows from the beginning to the disposal date shall be included in the consolidated statement of cash flows.

8. Classification of joint venture arrangements and the accounting treatment method of common operation

(1) Classification of joint venture arrangements

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures only have the rights to the net assets under this arrangement.

A joint arrangement that is not structured through a separate vehicle shall be classified as a joint operation. A separate vehicle refers to a separately identifiable financial structure, including separate legal entities or entities without a legal personality but recognized by statute.

A joint arrangement that is structured through a separate vehicle is usually classified as a joint venture. However, when a joint arrangement provides clear evidence that it meets any of the following requirements and complies with applicable laws and regulations as a joint operation:

- a) The legal form of the joint arrangement indicates that the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- b) The terms of the joint arrangement specify that the parties that have joint control have the rights to the assets, and the obligations for the liabilities, relating to the arrangement.
- c) Other facts and circumstances indicate that the parties that have joint control have rights to the assets, and the obligations for the liabilities, relating to the arrangement---for example, the parties that have joint control have rights to substantially all of the output of the arrangement, and the arrangement depends on the parties that have joint control on a continuous basis for settling the liabilities of the arrangement.

(2) Accounting treatment of a joint operation

A joint operator shall recognize the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- a) Its solely-held assets, and its share of any assets held jointly;
- b) Its solely-assumed liabilities, and its share of any liabilities incurred jointly;

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- c) Its revenue from the sale of its share of the output arising from the joint operation;
 - d) Its share of the revenue from sale of the output by the joint operation; and
 - e) Its solely-incurred expenses and its share of any expenses incurred jointly.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand.

Cash equivalents are the company's short-term (due within 3 months from purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency statements

(1) Accounting method of foreign currency transactions

a) Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

b) Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

i. Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date, and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency loans relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

ii. Accounting principles for handling foreign currency non-monetary items

For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date, with their amounts in functional currency remaining unchanged and no exchange differences incurred.

For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss.

(2) Accounting treatment method for translation of foreign currency statements

a) The Company shall translate the financial statements of foreign operations in accordance with the following methods:

i. Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date.

Shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur.

ii. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur.

Differences arising from the above translations of foreign currency financial statements are separately listed under 'other comprehensive income' in the consolidated balance sheet.

The translation of comparative financial statements is handled by reference to the above approach.

b) The Company shall translate the financial statements of foreign operations that are in virulent inflation economy in accordance with the following methods:

i. The Company restates the items in the balance sheet by using the general price index, and restates the items in the income statement by using the changes in general price index, and then converts those items at the spot exchange rate on the latest balance sheet date.

ii. Where the foreign operations are no longer in virulent inflation economy, the Company ceases to restate the financial statements and converts the financial statements restated according to the price level on such cease.

c) Where the Company disposes of an overseas business, it shall transfer the foreign currency financial statements exchange difference, which relates to the business disposed of and is presented under the items of the other comprehensive income in the balance sheet, from the other comprehensive income item to the gain or loss on disposal for the current period. If the overseas business is partly disposed of, the foreign currency financial statements exchange difference shall be calculated in proportion to the percentage of disposal and transferred to gain or loss on disposal for the current period.

11. Financial Instruments

Financial instruments are the financial asset, financial liability or (equity) instrument will be recognised when the Company became one of the parties under a contract.

(1) Classification of financial instruments

a) Classification of financial assets

According to the company's business model of managing financial assets and the characteristics of contract cash flow of financial assets, financial assets are classified into the following three categories: financial assets measured at amortized cost; financial assets measured at fair value through other comprehensive income (including financial assets directly designated to be measured at fair value through other comprehensive income); and financial assets measured at fair value through the current profit or loss.

b) Classification of financial liabilities

The Company classifies the financial liabilities into the following two categories: financial liabilities measured at fair value through current profit and loss (including financial liabilities held for trading and financial liabilities directly designated to be at fair value through current profit and loss); and financial liabilities measured at amortized cost.

(2) Recognition basis and measurement method of financial instruments

a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

b) Measurement method of financial instruments

i. Financial assets

Financial assets are measured at fair value upon initial recognition. For financial assets at fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss for the period. For other categories of

financial assets, relevant transaction costs are included in the amount initially recognized. Accounts receivable or notes receivable arising from sales of goods or rendering services and without significant financing component or the company decided not to consider financing elements for less than one year are initially recognized based on the amount of consideration expected to be entitled to receive according to Accounting Standard for Business Enterprises No. 14 - Revenue.

① Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method after initial recognition. Gains/losses on financial assets that are measured at amortized cost and are not a part of any hedging relationship shall be recognized in profit or loss when the financial asset is derecognised or reclassification or amortized using the effective interest method or recognized the impairment allowance.

② Financial assets measured at fair value through other comprehensive income

These assets are subsequently measured at fair value after initial recognition. Except impairment, foreign exchange gains and losses, interest income calculated using the effective interest method are recognized in profit or loss; other gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are transferred to profit or loss.

In addition, the company designated some non-tradable equity instruments as financial assets measured at fair value through other comprehensive income; the company shall recognize the relevant dividend income of such financial assets into the current profit and loss, and recognize the change of fair value in other comprehensive income. On derecognition, the accumulated gains/losses previously recognized in other comprehensive income shall be transferred to retained earnings and not be recognized in current profit and loss.

③ Financial assets measured at fair value through profit or loss

The Company classifies the financial assets, except for financial assets measured at amortized cost or at fair value through other comprehensive income as mentioned above, into the financial assets measured at fair value through profit or loss for the current period. In addition, the company may designate some financial assets as financial assets measured at fair value through profit or loss for the current period upon the initial recognition to eliminate or significantly reduce accounting mismatch. For such financial assets, the company adopts the fair value for subsequent measurement, and changes in fair value are recognized in the profit or loss for the current period.

ii. Financial liabilities

Financial liabilities shall be classified into financial liabilities measured at fair value through profit or loss for the current period upon initial recognition and other financial liabilities. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are directly recognized in the current profit and loss, and the relevant transaction costs of other financial liabilities are recognized in the initial recognition amount.

① Financial liabilities measured at fair value through profit or loss

Financial liabilities held for trading (including derivatives of financial liabilities) shall be subsequently measured at the fair value. Except for those related to hedge accounting, changes in the fair value shall be recognized in the profit or loss of the current period. For financial liabilities designated to be at fair value through profit or loss, fair value changes caused by the Company's own credit risk changes which is recognized in other comprehensive income, when the liability is derecognition, the accumulated change in its fair value caused by the change in its own credit risk recognized in other comprehensive income is transferred to retained earnings, the remaining changes of fair value is record in profit of loss. If the above treatment of the impact of the change in the credit risk of such financial liabilities will cause or expand the accounting mismatch in the profit and loss, the company will record all the gains/losses of such financial liabilities (including the amount affected by fair value changes in enterprise's own credit risk) into the current profit and loss.

② Financial liabilities measured at amortized cost

Except financial liabilities that arise when a transfer of a financial assets does not qualify for derecognition or when the continuing involvement approach applies security contract are classified as financial liabilities measured by amortized cost, or financial subsequently measurement at amortized cost, and record the profits or losses guarantee contracts recognition or amortization into the current profit and loss.

(3) Financial assets transfer

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Company derecognizes the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; if the Company retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the transferred financial assets. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Company has not retained control, it derecognizes the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognized as its assets or liabilities; and if the Company has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the relevant liability.

Where transfer of financial assets qualify for derecognition entirety, the difference between the following two amounts will be included into current profit or loss: The book value measured at the date of derecognition; and The sum of the consideration for the derecognition part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in OCI (involving the situation where the financial asset transferred is a debt instrument investment measured at fair value and recognized in other comprehensive income). The Company transferred the partial transfer of financial assets which qualify for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognition and the remaining.

(4) Derecognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the company shall remove financial liability (or part thereof), and the company shall recognize the difference between its book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) in the current profit and loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities shall be shown separately in the balance sheet and shall not be offset against each other. If the following conditions are met at the same time, the net value offset each other after amount listed in the balance sheet:

The company has offset the confirmed number of legal rights of financial assets and financial liabilities, and this kind of legal rights is the executable; and

The company plans to net or cash at the same time when the financial assets and liquidation of the financial liability.

If the transfer of financial assets does not meet the conditions for derecognition, the transferor shall not offset the transferred financial assets and related liabilities.

(6) Equity instruments

Equity instruments are contracts that prove ownership of the residual interest in the company's assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of the equity instruments of the company shall be treated as changes in the equity. The company does not recognize changes in the fair value of equity instruments, and the transaction fees related to the equity transactions shall be deducted from the equity. Where the equity instrument of the company distributes dividends during the term of its existence, it shall be treated as profit distribution, and the total amount of shareholders' equity will not be affected by the stock dividends issued.

(7) Method for determining the fair value of financial assets and financial liabilities

Where there is an active market for a financial instrument, the company shall determine its fair value by quoting in the active market. Where there is no active market for the financial instrument, the company shall determine its fair value by means of valuation technology. In valuation, the company uses valuation techniques applicable in the current situation and supported by sufficient available data and other information to select input values consistent with the characteristics of assets or liabilities considered by market participants in transactions of related assets or liabilities, and gives priority to relevant observable input values as far as possible. Use unobservable inputs only when relevant observable inputs cannot be obtained or are impracticable to obtain.

Upon initial recognition, the fair value of financial assets or financial liabilities is determined by the quoted price of the same assets or liabilities in the active market or other valuation technology that only uses observable market data, the Company defers the difference between the fair value and the transaction price. After initial recognition, the Company recognizes the deferred difference as gain or loss in the corresponding accounting period according to the changes of a certain factor in the corresponding accounting period.

(8) Impairment of Financial Assets

Based on the expected credit loss, the Company shall recognize the impairment loss on financial assets measured at amortized cost, debt instrument investment at fair value through other comprehensive income.

a) The approach of recognition loss allowance for expected credit losses

Considering the reasonable and valid information such as past events, current conditions and forecast of future economic conditions, and weighted by the risk of default, the Company calculates the probability weighted amount of the present value of the difference between the cash flow receivable under the contract and the expected cash flow to be received, and confirms the expected credit loss.

i. General approach

The Company assess whether the credit risk of financial instruments in different stages at each reporting date has increased significantly. If the financial instruments' credit risk have not increased significantly after initial recognition, it will be included in phase 1, and the Company measures the loss allowance for those instruments at an amount equal to 12-month expected credit losses; if the financial instruments' credit risk have increased significantly but without objective evidence for impairment after initial recognition, it will be included in phase 2, and the Company measures the loss allowance of those instruments at an amount equal to lifetime expected credit losses; if the financial asset that is evidently credit-impaired after initial recognition, it will be included in phase 3, and the Company measures the loss allowance of those financial instruments at an amount equal to lifetime expected credit losses. For financial instruments with low credit risk on the balance sheet data (e.g., fixed deposits in commercial banks with higher credit rating, financial instruments with external credit rating above "investment grade"), the Company assumes that the credit risk has not increased significantly since the initial recognition and chooses to measure the loss provision according to the expected credit loss in the next 12 months.

ii. Simplified approach

For accounts receivable, contract assets, lease receivables and Income-related notes receivable that do not contain significant financing components or do not consider the financing components in the contracts for no more than one year old, the company adopts simplified approach and shall always measure the loss allowance at an amount equal to lifetime expected credit losses

For accounts receivable, contract assets and lease receivables are defined by the Accounting Standards for Business Enterprises No. 21-Leasing that include significant financing components, the company recognizes a loss allowance equal to the lifetime expected credit losses.

b) Criteria for determining whether credit risk has increased significantly subsequent to the initial recognition

If the probability of default of a financial asset in lifetime as determined on the balance sheet date is significantly higher than the probability of default in lifetime as determined at the initial recognition, the credit risk of the

financial asset increases significantly.

No matter what method the Company is applied to evaluate whether credit risk has increased significantly, it usually inferred that the credit risk of the financial instrument has increased significantly if the contract payment delay exceeds 30 days, unless the Company can get the reasonable and valid information at reasonable cost to evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition. Except in special cases, the Company shall use the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in lifetime to determine whether the credit risk has increased significantly to the initial recognition

c) Approach of assessing expected credit risk on a portfolio basis and determine basis

The company evaluates credit risk individually for the credit risk of significantly different notes receivables, accounts receivables, contract assets, lease receivables and other receivables with the following characteristics. Such as: accounts receivables in dispute with the other party or involving litigation or arbitration; notes receivables, accounts receivables that have shown clear signs that the debtor is likely to be unable to meet repayment obligations.

When it is impossible to evaluate the expected credit loss information of an individual financial asset at a reasonable cost, the Company divides the receivables into several portfolio according to the credit risk characteristics, and calculates the expected credit loss on collective basis. The basis for determining the portfolio is as following:

Name	Approach of assessing expected credit risk
Bank acceptance bill Portfolio; Commercial acceptance bill Portfolio	For notes receivables divided into portfolio, the bank acceptance bill and commercial acceptance bill refer to the historical credit loss experience, and combines the current situation and the forecast of future economic situation respectively. The Company calculates the expected credit loss based on the default risk exposure and the expected credit loss rate of the whole duration.
Risk Portfolio	For accounts receivables divided into risk portfolio, the Company refers to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, and prepares a comparison table between overdue ages of accounts receivables and expected credit loss rate of the whole duration to calculate the expected credit loss.
Other Portfolio	The Company classifies items without significant recovery risk receivables as other portfolio such as items from subsidiaries in the consolidation scope, tax refunds receivable, collection and withholding of funds. There is no provision for bad debt for them.
Lease receivables	For Lease receivables classified into combinations, the expected credit loss is calculated through the default risk exposure and the expected credit loss rate of the whole duration according to the historical credit loss experience, the current situation and the forecast of the future economic situation

The Company shall take the provision or transfer the loss into the current profit and loss. For the debt instrument investment measured at fair value through other comprehensive income, the Company shall adjust other

comprehensive income while recording the impairment loss or gain into the current profit and loss.

12. Contract assets

A contract asset is a company's right to receive consideration for goods transferred to a customer, and this right depends on factors other than the passage of time. The company's contract assets mainly include completed and unsettled assets and quality guarantee deposit. The contract assets and contract liabilities under the same contract shall be shown on a net basis, and the contract assets and contract liabilities under different contracts shall not be set off.

For the determination method and accounting treatment method of expected credit loss of contract assets, refer to "Impairment of Financial Assets" in Note 10 (8).

13. Inventory

(1) Classification of inventory

Inventories are classified as: raw materials, semi-finished goods, stock commodities, consigned processing materials, goods in progress and revolving materials (including low-cost consumables), etc.

Measurement method of dispatched inventories

Dispatched materials and stock commodities are accounted for by using the weighted average method.

(2) Basis to determine net realizable values of inventories and method of provision for stock obsolescence

a) Determination basis of net realizable values of inventories

i. In normal operation process, for merchandise inventories held directly for sale, including stock commodities (finished goods) and materials for sale, their net realizable values are determined at their estimated selling prices minus their estimated selling expenses and relevant taxes and surcharges.

ii. In normal operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

iii. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in the sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

iv. The materials held for production shall be measured at cost if the net realizable value of the finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

b) Provision for stock obsolescence

i. Provisions for stock obsolescence are made at the lower of costs or net realizable values on a single basis.

ii. For inventories with large quantity and relatively low unit prices, the provision for stock obsolescence shall be made on the ground of the categories of inventories.

iii. consolidated accruals

For inventories that are related to product lines produced and sold in the same region, share the same or similar ultimate use or purpose, and are difficult to be measured separately from other items, a consolidated provision for obsolete stock is made.

(3) Inventory system

The Company adopts perpetual inventory system and takes physical inventory counts on a regular basis.

(4) Amortization method of revolving materials

a) Amortization method of low-cost consumables:

Low-cost consumables are amortized in full at once.

b) Amortization method of packaging materials

Packing materials are amortized in full at once when fetched for use by the Company.

14. Assets held for sale

(1) Assets held for sale

a) Scope of a non-current asset held for sale and a disposal group

A non-current asset or disposal group is classified as held for sale when a company recovers its carrying value primarily through the sale (including the exchange of non-monetary assets of a commercial nature) rather than through the continuous use of such a group.

A disposal group is a group of assets that are disposed as a whole through sales or other ways in one transaction and liabilities directly related to these assets delivered in the transaction.

b) Recognition criteria of a non-current asset held for sale and a disposal group

The Company recognizes its component (or non-current asset) that satisfies the following conditions as assets held for sale:

- i. The assets or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups;
- ii. Its sale must be highly probable. The Company has already made a decision to dispose the component and has a commitment from the purchaser, the transfer will be completed within one year. If it requires shareholders' approval or supervisors' approval according to regulations, it has already received approval from the general meeting of stockholders or relative authority institution.

c) Accounting treatment and presentation of a non-current asset held for sale and a disposal group

The non-current asset or disposal group is first classified as held for sale, the Company should measure the non-current assets or assets and liabilities made up of disposal group in accordance with relevant accounting standards. When the Company measure a non-current asset or disposal group held for sale initially or re-measure at balance sheet date subsequently, the impairment loss should be recognized if the book value is higher than fair valueless costs to sell at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognized at the same time. For the impairment of disposal group, should write off goodwill if existing, and then write down the related assets proportionally. Depreciation or amortization should cease for the non-current asset held for sale.

No matter the asset is classified as individual asset held for sale or asset belonging to disposal group, the asset is presented as current assets under "assets held for sale" item; liabilities related to the asset transferred in the disposal group held for sale is presented as current liabilities under "liabilities held for sale" item in the balance sheet.

The Company is committed to a sale plan involving loss of control of subsidiary shall classify all the assets and liabilities of that subsidiary held for sale in consolidated balance sheets when the above criteria are met, regardless of whether the Company retain a non-controlling interests in its former subsidiary after the sale. In the balance sheets of parent company, the investment should be classified as held for sale in full. In the consolidated financial statements, all assets and liabilities of the subsidiaries are classified as held for sale.

(2) Termination of business operations

a) Criteria for determining termination of operations

Termination means any separate part which satisfies one of the following conditions and which has been disposed of or classified as being held for sale:

- i. The component represents a separate principal business or a separate principal area of operation;

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- ii. The component is part of an associated plan to dispose of a separate principal business or a separate principal operating area;
 - iii. The component is a subsidiary acquired specifically for resale.

b) Presentation of discontinued operations

The Company separately presents the profit or loss from continuing operations and discontinued operations in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of discontinued operations, their impairment losses, reversal amounts, and disposal gains or losses are presented as part of the profit or loss from continuing operations. Impairment losses, reversal amounts, operating results, and disposal gains or losses related to discontinued operations are presented as part of the profit or loss from discontinued operations.

15. Long-term equity investment

(1) Recognition of the initial investment costs of long-term equity investments

a) For long-term equity investments from business combinations, the initial investment cost shall be recognized in accordance with the provisions mentioned in Notes 3(5). Accounting Method for Long-term Equity Investment from Business Combinations under Common Control and Business Combination not under Common Control.

b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognize their initial investment costs in accordance with the following provisions:

i. For the long-term equity investments obtained by cash paid, the Company recognizes the actual purchase price as the initial investment costs. The initial investment costs include directly related expense, taxes and other necessary expenses of obtaining long-term equity investments.

ii. For the long-term equity investments acquired by the issue of equity securities (equity instrument), the initial investment cost shall be the fair value of the equity securities (equity instrument) issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities (equity instrument), including fees, commissions, etc., write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities (debt instrument), reference through the issuance of equity securities (equity instrument).

iii. For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognized as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

(2) Subsequent measurement and recognition of gains and losses of long-term equity investments

a) Long-term equity investment measured under cost method

i. If accompany can control an investee, namely investment in subsidiary, the long-term equity investment shall be measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and other comprehensive income realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee fall into the scope of losses on assets impairment, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above

after deducting unrecognized share of loss: i.e. write down the book value of the recognized provision, then restore the book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

(3) Basis for judgment of common control or significant influence over the investee

a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

b) Basis for judgment of significant influence over investee

The term “significant influence” refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

16. Fixed assets

(1) Recognition of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

- a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;
- b) The cost of the fixed assets can be measured reliably.

(2) Depreciation of fixed assets

Category	Depreciation method	Estimated useful life (Yr)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings And constructions	Straight-line method	20 ~25	5	3.80 ~4.75
Machinery equipments	Straight-line method	10	5	9.50
Transportation equipments	Straight-line method	10	5	9.50
Other equipments	Straight-line method	8	5	11.88

17. Construction in progress

(1) Categories of constructions in progress

Constructions in progress are accounted on individual project basis.

(2) Criteria and commencement of conversion of constructions in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self- operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs

payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalization shall be capitalized and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

18. Borrowing costs

(1) Scope of borrowing costs

The Company's borrowing costs include interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency loan, etc.

(2) Recognition principles of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalization include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

(3) Recognition of capitalization period of borrowing costs

a) Recognition of commencement of capitalization of borrowing costs

Borrowing costs may be capitalized when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

b) Recognition of period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue.

c) Recognition of period of capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur.

If all parts of the acquired and constructed or produced assets are completed, each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production

activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalization of borrowing costs related to the part of assets should be ceased; if all parts of the acquired and constructed or produced assets are completed but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

(4) Recognition of capitalized amounts of borrowing costs

a) Recognition of capitalized amounts of interest on borrowing costs

During the period of capitalization, capitalized amount of the interest of each accounting period (including amortization of discounts or premiums) shall be recognized according to the following provisions:

i. As for special loan borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special loan actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

ii. As for general loans used for acquiring and constructing or producing assets eligible for capitalization, the interest of general loans to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special loans by the capitalization rate of used general loans. The capitalization rate is calculated by weighted average interest rate of general loans.

iii. Where there are discounts or premiums on loans, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method.

iv. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant loans.

b) Recognition of capitalized amounts of auxiliary expenses of loans

i. Auxiliary expenses incurred from special loans before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

ii. Auxiliary expenses incurred from general loans shall be recognized as costs according to the amounts incurred when they occur and included in the current profit and loss.

c) Recognition of capitalized amount of exchange differences

During the period of capitalization, exchange differences incurred from the principal and interest of special foreign currency loans should be capitalized and included in the costs of the assets eligible for capitalization.

19. Intangible assets

(1) Useful life and the basis for its determination, estimation, amortization methodology or review procedures

a) Initial measurement of intangible assets

i. Initial measurement of outsourcing intangible assets

Costs of outsourcing intangible assets shall be recognized according to the purchase price, related taxes and other expenses directly attributed to reaching the working condition for their intended use. The cost of intangible assets shall be recognized based on present value of purchase price when deferred payment over normal credit conditions with financial nature. The difference between actual payment and purchase price, except for capitalized amount, shall be included into the current profit and loss in the period of credit.

ii. Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognized according to the total expenses during the period after the assets are eligible for capitalization and before they reach the intended purpose and the expenses that have been included in the previous periods shall no longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; those on the development phase ineligible for capitalization shall be included in the current profit and loss; those eligible for capitalization shall be recognized as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

b) Subsequent measurement of intangible assets

The useful lives of intangible assets are analyzed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

i. Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortized on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortizations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realized by the products or other assets produced thereafter, the amortizations are recorded into the costs of the relevant assets.

Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category of intangible assets	Estimated useful life (years)	Estimated net residual value rate (%)	Annual amortization rate (%)
Land use right	50	0	2.00
Trademark Right	7-10	0	14.29-10.00
Computer software	10	0	10.00
Non-Patent Technology	10	0	10.00

The useful lives and amortization methods of intangible assets with limited useful lives on the balance sheet date shall be reviewed.

ii. Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized in the holding period, but impairment tests are performed at the end of each year.

c) Estimates of useful lives of intangible assets

i. For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognized according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

ii. Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

iii. If it is still unable to reasonably determine that intangible assets may bring economic benefits for the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

(2) The scope of R&D expenditures and the related accounting treatment

a) Specific criteria for delineating the research and development phases of in-house R&D projects

i. The scope of R&D expenditures

It usually includes research and development staff salary expense, direct input expense, depreciation and long-term amortization expense, design expense, equipment commissioning expense, amortization expense for intangible assets, commissioned external research and development expense, and other expense, including expensed research expense and capitalized development expenditures.

ii. Specific criteria for delineating the research and development phases

According to the actual situation of the research and development, the Company classifies the research and development project into that on the research phase and that on the development phase.

① Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

② Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

b) Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

- i. It is technically feasible to finish intangible assets for use or sale;
- ii. It is intended to finish and use or sell the intangible assets;
- iii. The usefulness of intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- iv. It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;
- v. The expenditure attributable to the intangible asset during its development phase can be measured reliably.

20. Non-current assets impairment

If there are impairment indicators of long-term equity investment, investment property measured at cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with indefinite useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognized on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset

group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognize impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognize impairment loss of goodwill.

Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

21. Long-term deferred expenses

(1) Scope of long-term deferred expenses

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive).

(2) Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

(3) Amortization of long-term deferred expenses

Long-term deferred expenses are amortized using the straight-line method over the beneficial period.

22. Contract liability

Contract liabilities refer to the obligation of a company to transfer commodities to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the company has obtained an unconditional right to receive the goods prior to the company's transfer of the goods to the customer, the company will show the amount received or receivable as a contractual liability in which earlier the customer actually pays the amount or the amount becomes due. The contract assets and contract liabilities under the same contract shall be shown on a net basis, and the contract assets and contract liabilities under different contracts shall not be set off.

23. Employee benefits

(1) Accounting treatment of short-term benefits

Short-term benefits are the benefits that the Company expect to pay in full within 12 months after the reporting period in which the employee provided relevant services, excluding the compensation for employment termination.

Short-term benefits include: wage, bonus, allowance and subsidy; employee welfare, social securities including health insurance and work injury insurance; housing common reserve fund; union expenditure and employee training expenditure; short-term paid leave; short-term profit-sharing; non-monetary welfare and other short-term benefits.

Actual short-term benefits will be recognized as liability during the accounting period in which the employee is providing the relevant service to the Company. The liability will be included in the current profits and losses or the cost relevant assets.

(2) Accounting treatment of post-employment benefits

The defined contribution plan of the Company includes payments of basic pension, unemployment insurance,

annuity, etc. that accord to relevant provisions. The amount which the Company deposit on balance sheet date in exchange for the service of the employee during the accounting period will be recognized as employee benefits liability and shall be included into the profit or loss for the current period.

(3) Accounting treatment of termination benefits

Termination benefits are the benefits the Company provide to the employee when the Company terminates the employment before labor contract expires or encourages voluntary resignation. Employee benefits liabilities shall be recognized and included into profit or loss for the current period on the earlier date of the two following circumstances:

- a) When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally;
- b) When the Company recognizes costs and fees relevant to reforming the termination benefits payment.

(4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits are all employee benefits other than short-term benefits, post-employment benefits and termination benefits. At the end of reporting period, the company will recognize the employee benefits cost from other long-term employee benefits as the following components:

- a) Service cost;
- b) Net amount of interest from other long-term employee benefits net liabilities or assets;
- c) Changes from recalculation of the net liabilities or assets from other long-term employee benefits.

In order to simplify related accounting procedure, the net amount of the above subjects shall be included into current profit or loss or the cost of relevant assets.

24. Provisions

(1) Recognition principles of provision

When obligations related to external guarantees, pending actions or arbitration, product quality assurance, onerous contracts, reorganization and contingencies satisfy the following three conditions, they shall be recognized as provision:

- a) This obligation is a present obligation of the Company;
- b) The settlement of such obligation is likely to result in outflow of economic benefits from the Company; and
- c) The amount of the obligation can be measured reliably.

(2) Measurement method of provision

The amount of provision is measured at the best estimate of expenses required for contingencies.

- a) If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median of the range.
- b) The best estimate shall be accounted as follows in other cases:
 - i. If the contingency involves a single item, the best estimate shall be determined at the most likely outcome.
 - ii. If the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

25. Share-based payment

Share-based payment is classified as equity-settled share-based payment and cash-settled share-based payment.

(1) Accounting treatment on the date of granting

The Company does not make any accounting treatment on the date of granting, neither for equity-settled share-based payment nor for cash-settled share-based payment, except that the right of the share-based payment can be exercised immediately.

(2) Accounting treatment on each balance sheet date within vesting period

On each balance sheet date within vesting period, the Company records the service provided by employees or other party as cost and expense, and recognizes equity or liability at the same time.

For the share-based payment attached with market conditions, once employees satisfy all conditions except market conditions, the service acquired can be recognized. If the performance condition is not market condition, the estimate for previous periods can be revised when the vesting period is determined and subsequent information shows that the estimate for conditions of exercising rights requires adjustments.

For equity-settled share-based payment related with employees, charge the service into costs, expenses and capital reserve (other capital reserve), using the fair value of the equity instrument on the date of granting. The subsequent changes of fair value should not be recognized. For cash-settled share-based payment related with employees, recalculate fair value of the equity instrument at each balance sheet date and recognize related costs, expenses and employee benefit payable.

At each balance sheet date within vesting period, the Company makes the best estimate and revises the number of equity instrument that can be exercised according to the latest subsequent information such as change of number of employees who can exercise rights.

Use fair value and the number of equity instrument stated above to calculate cumulative amount of costs and expenses that should be recognized by this period and then deduct the cumulative amount already recognized in the previous period. The balance is the amount of cost and expense that should be recognized in the current period.

(3) Accounting treatment after the date when rights can be exercised

For equity-settled share-based payment, after the date when rights can be exercised, no adjustment shall be made to the total amount of the cost expense and equity already recognized. The Company recognizes share capital and capital premium, and carry forward the capital reserve (other capital reserve) recognized within vesting period at the he dates when rights can be exercised.

For cash-settled share-based payment, the Company shall not recognize costs and expenses. The change of fair value of liability (employee benefit payable) should be recorded into current profit or loss (profit or loss arising from fair value changes) after the date when rights can be exercised.

(4) Accounting treatment for repurchasing shares regarding employee option incentive.

When the Company encourages employees in the form of repurchasing shares, total expenditure of repurchasing shares is regarded as treasury stock and registered for check. At each balance sheet date within vesting period, charge the employee service acquired into costs and expenses, and meanwhile increase capital reserve (other capital reserve), using fair value of the equity instrument at the date of granting. When the employee exercises the right to buy the Company's shares and receives the amount, write off the cost of treasury stock delivered to the employee and the cumulative amount of capital reserve (other capital reserve) recognized within the vesting period, meanwhile the balance adjusting capital reserve (share capital premium).

26.Revenue

Accounting policies adopted in revenue recognition and measurement

(1) Principle and measurement method of revenue recognition

a) Revenue recognition

The Company has fulfilled its contractual performance obligation to recognize revenue when the customer acquires control of the relevant goods. On the beginning date of the contract, the Company evaluates the contract, identifies the individual performance obligations contained in the contract, and determines whether the individual performance obligations are performed within a certain period of time or at a certain point. Then, the Company

recognizes the revenue when the individual performance obligations are fulfilled.

b) Revenue measurement

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, apportion the transaction price to each single performance obligation according to the relative proportion of the separate selling price of the commodity or service committed by each single performance obligation, and measure the revenue according to the transaction price apportioned to each single performance obligation. In determining the transaction price, the Company will take into account the impact of variable consideration, material financing elements existing in the contract, non-cash consideration and customer consideration payable, and it is assumed that the goods will be transferred to the customer in accordance with the provisions of the existing contract and that the contract will not be canceled, renewed or changed.

(2) Specific revenue recognition policies

a) Sales contract

The Company's sales products, promotional products and other goods belong to the performance obligations performed at a certain point.

The Company recognizes the sales revenue when the goods are delivered to the customer and the control of the goods is transferred. For export sales business, the Company recognizes the revenue after the goods are delivered and the customs clearance procedures are completed.

According to the marketing policy, and the distributor sales of final product, the Company gives the distributor a percentage discount, and regularly or irregularly settles with distributors. At the time of settlement, the discounts are recorded in a sales invoice issued. The net amount of invoice value after the deduction of the discount sales income is recognized as revenue according to the accrual principle. The discounts that have occurred and have not yet been settled at the end of the current period shall be taken provision from the sales revenue and recorded into the contract liabilities.

b) Service Contract

The service contract provided by the Company contains the performance obligation of the lease service provided. Since the customer obtains and consumes the economic benefits brought by the performance of the contract at the same time, it is regarded as the performance obligation performed within a certain period of time and is equally apportioned and confirmed during the service provision.

Cases where the same type of business adopts different business models involving different revenue recognition methods and measurement approaches.

27. Contract costs

Assets related to contract costs include contract acquisition costs and contract performance costs.

The cost of contract fulfillment incurred by the company to perform the contract shall be recognized as an asset if the following conditions are met:

- (1) The cost is directly related to a current or anticipated contract.
- (2) The cost increases the company's resources for future performance obligations.
- (3) The cost is expected to be recovered.

The incremental cost incurred by the company in obtaining the contract is expected to be recovered shall be recognized as an asset as the cost of obtaining the contract.

The Company amortizes the asset related to the contract cost on the same basis as the recognition of the revenue of the goods or services related to the asset, and includes it in the profit or cost for the current period.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company will make an impairment provision for the excess part and confirm it as the impairment loss

of the assets:

- (1) The transfer of the goods or services related to the asset less the estimated cost;
- (2) Estimated impending costs for the transfer of the related goods or services.

If the impairment provision of the above asset is subsequently reversed, the book value of the asset after reversal shall not exceed the carrying amount the asset would have reached on the date of reversal had the provision for impairment been not made.

28. Government grants

(1) Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

Government grants related to assets are government grants that are acquired by the Company and used for forming long-term assets through purchasing and constructing or other ways.

Government grants related to income are government grants other than government grants related to assets.

(2) Recognition principles of government grants

Government grants are recognized when both of the following conditions are met:

- a) The Company can meet the attached conditions for the government grants;
- b) The Company can receive the grants.

(3) Measurement of government grants

- a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.
- b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is CNY 1).

(4) Accounting treatment method of government grants

a) The government grants related to assets shall be set off of the book value of the related assets or recognized as deferred income at the actual entry amount on acquisition. Government grants recognized as deferred income shall be allocated evenly over the useful lives of the relevant assets, and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

b) Government grants related to income shall be separately handled according to the following circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income on acquisition and be included into the current profit and loss or written off of the related costs when the relevant expenses, losses are recognized.

ii. If government grants related to income are used to compensate the

Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off of the related costs.

c) Government grants related to assets and related to income are received together, shall be treated separately. If it is hard to separate, government grants shall be treated as related to income as a whole.

d) Government grants related to daily operation shall be recoded in other income or written off relevant expenses, costs. Government grants unrelated to daily operation shall be recorded in non-operating income. Financial subsidy funds directly allocated to the company shall be offset the relevant borrowing costs.

e) Government grants already recognized required to be refunded shall be handled according to the following circumstances:

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- i. If the grants have written down the book value of assets, the book value shall be adjusted.
 - ii. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.
 - iii. If there is no related deferred income, the exceeding part is directly included in the current profit and loss.

29. Deferred tax assets and deferred tax liabilities

The Company adopts the balance sheet liability method to account for income tax.

(1) Recognition of deferred tax assets or deferred tax liabilities

a) The Company recognizes its tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyzes and compares the book value of the assets and liabilities and the tax base. If there are temporary differences in book value of the assets and liabilities and the tax base, under the circumstance that the temporary differences incur in the current period and meet the recognition criteria, the Company shall respectively recognize taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognized to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognize the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

c) Recognition basis of deferred tax liabilities

The Company recognizes the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill; transactions which are formed other than from business combinations and neither affect the accounting profits nor affect taxable income at the time of occurrence.

(2) Measurement of deferred tax assets or deferred tax liabilities

a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognized, except for those incurred in transactions or events directly recognized in the owner's equity, of which the effect shall be included in the income tax expenses in the current period when the rate changes.

c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

30. Lease

(1) Accounting treatment for leases as lessee

On the commencement date of the lease term, the company recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and subsequently recognizes depreciation expense and interest expense during the lease term.

a) Accounting treatment for right-of-use assets

A right-of-use asset is the right of the Company, as lessee, to use the leased asset during the lease term.

i. The initial measurement

On the lease commencement date, the company measures the right-of-use asset at its initial cost. This cost comprises four components: ① The initial measurement of the lease liability. ② Lease payments made at or before the commencement date, net of any lease incentives received, if any. ③ Incurred initial direct costs, representing the incremental costs of obtaining the lease. ④ Estimated costs expected to be incurred for dismantling and removing the leased asset, restoring the leased asset's site, or reinstating the leased asset to the condition specified in the lease agreement, excluding costs for inventory production purposes.

ii. Subsequent measurement.

After the lease commencement date, the company adopts the cost model for subsequent measurement of the right-of-use asset, which means the asset is measured at cost less accumulated depreciation and accumulated impairment losses. If the company re-measures the lease liability in accordance with the lease standards, the carrying amount of the right-of-use asset is adjusted accordingly.

Depreciation is recognized on the right-of-use asset from the lease commencement date. Depreciation on the right-of-use asset begins in the month of lease commencement. The amount of depreciation recognized is either capitalized to the cost of related assets or expensed in the current period, depending on the use of the right-of-use asset. The company applies the straight-line method to depreciate the right-of-use asset based on the expected pattern of consumption of the economic benefits associated with the right-of-use asset. If the right-of-use asset is impaired, subsequent depreciation is based on the carrying amount of the right-of-use asset after deducting impairment losses. The categories of right-of-use assets, their useful lives, and annual depreciation rates are as follows: [Categories, useful lives, and annual depreciation rates are not provided in the text you provided.]

The categories of right-of-use assets.	The depreciation period (in years).	The annual depreciation rate (as a percentage)
buildings and structures.	2-5	50-20

(2) The accounting treatment method for lease liabilities.

(a) Initial measurement

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that

a) Lease payment

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- i. fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commence date;
- iii. The exercise price of the purchase option, if the Company is reasonably certain to exercise that option;
- iv. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease;
- v. The amount expected to be paid based on the residual value of the guarantee provided by the company.

b) The discount rate

When calculating the present value of lease payments, the interest rate in the lease is determined as the discount rate. If the rate cannot be readily determined, the Company shall use the lessee's incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate is based on the bank lending rate and adjusted by the Company considering relevant factors.

(b) Subsequent measurement

After the commencement date, the Company shall measure the lease liability by:

- ① increasing the carrying amount to reflect interest on the lease liability;
- ② reducing the carrying amount to reflect the lease payments made;
- ③ remeasuring the carrying amount to reflect any reassessment or lease modifications

After the lease commencement date, lease payment shall be remeasured if the following circumstances incurred, and the lease liability shall be remeasured at the present value which is based on the revised lease payment and revised discounting rate. The Company shall remeasure the lease liability to reflect changes to the lease payments. A lessee shall recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss.

- ① change of in-substance fixed payments (subject to original discounting rate)
- ② change of amounts expected to be payable under residual value guarantees
- ③ change of an index or a rate used for future lease payments
- ④ change in assessment of a buy option

The interest expense during each period of the lease term shall be included in the current profit and loss, except for those that should be capitalized.

(3) The criteria and accounting treatment methods for short-term leases and leases of low-value assets.

For short-term leases, they refer to leases where the lease term does not exceed 12 months from the lease commencement date. Leases that include purchase options are not considered short-term leases. Low-value asset leases are leases where the individual lease asset has a low value when it is new. Leases of assets for sublease or expected sublease are excluded from low-value asset leases.

The company adopts a simplified approach for short-term leases and leases of low-value assets. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis or using another systematic and rational approach over the lease term in each reporting period. No right-of-use assets and lease liabilities are recognized for these leases.

(4) The accounting treatment methods for leases as the lessor

(a) Finance lease

At the commencement date of the lease term, the Company recognizes the finance lease receivable at the net value of lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term that are discounted at the interest rate in the lease) and derecognizes the finance lease asset. Over the term of the relevant lease, the Company calculates and recognizes interest income based on the interest rate in the lease.

The company shall account for a finance lease modification as a separate lease if both conditions are satisfied: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets or extending the contractual lease term. ② the consideration for the lease increases by an amount commensurate

with the stand-alone price for the increase in scope or the contractual lease term extension and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract. Stand-alone price to reflect the circumstances of the particular contract.

(b) Operating lease

According to the nature of the assets, the company will include the assets used as operating lease in the relevant items of the balance sheet. The Company shall add initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognize those costs as an expense over the lease term on the same basis as the lease income. Lease payment received shall be recognized as lease income on a straight-line basis within the period. The depreciation policy for depreciable underlying fixed assets subject to operating leases shall be consistent with the lessor's normal depreciation policy for similar assets. Amortization for other underlying assets subject to operating lease shall be on reasonable systematic basis. The variable lease payments obtained by the company related to operating leases, which are not included in the lease payment received, shall be included in the current profit and loss when actually incurred.

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

31. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☒Applicable ☐N/A

a) On October 25, 2023, the Ministry of Finance issued Interpretation No. 17 of the Enterprise Accounting Standards (Finance and Accounting [2023] No. 21, hereinafter referred to as "Interpretation No. 17"), which standardizes the "Classification of Current Liabilities and Non-current Liabilities," "Disclosure of Supplier Financing Arrangements," and "Accounting Treatment of Sale and Leaseback Transactions." The company will implement this interpretation from January 1, 2024, and the implementation of this interpretation will not affect the opening financial statements.

b) On December 6, 2024, the Ministry of Finance issued Interpretation No. 18 of the Enterprise Accounting Standards (Finance and Accounting [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which standardizes the accounting treatment of quality assurance guarantees that do not constitute a separate performance obligation. The company will implement this interpretation from January 1, 2024, and the implementation of this interpretation will not affect the opening financial statements.

(2) Changes in significant accounting estimates

☐Applicable ☒N/A

(3) Adjustments to the financial statement items at the beginning of the fiscal year when implementing the new accounting standards for the first time starting from 2024

☐Applicable ☒N/A

VI. Taxes

1. Major tax types and rates

Tax type	Taxation basis	Tax rate
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Value-added tax (VAT)	Output tax-deductible input tax	13%、9%、6%、19%
Consumption tax	Sales revenue or composite assessable price	please refer to the instructions
Urban maintenance and construction tax	Applicable turnover tax amount	7%、5%
Corporate income tax	Applicable income tax rate Taxable income	25%、16.5%、0%、27%

Disclosure statement if there are various taxpaying bodies with different corporate income tax rates

Company name	Applicable tax rate
JSSJ Industry (HK) Holdings Co., Ltd.	16.50%
Hong Kong Zhaiugou International Trade Co., Ltd.	16.50%
ZYG E-Commerce HK Limited	16.50%
Yanghe Hong Kong Distillery Co., Ltd.	16.50%
YANGHE CHILE SPA	27%
YangHe International Investment Ltd	0%
ZYG LTD	0%
ZYG TECHNOLOGY INVESTMENT LTD	0%

2. Other information

Note: Charging of Consumption Tax

(1) Ad valorem taxation: liquor consumption tax shall be calculated and paid according to 20% of the approved sales amount. The taxable liquor commissioned for processing shall be taxed according to the sales price of similar liquor of the entrusted party, and if there is no sales price of similar liquor, the taxable liquor shall be computed according to the composition assessable price. Consumption tax on red wine (wine) is calculated at 10% of sales.

(2) Quantity-based taxation: liquor consumption tax is calculated and paid according to CNY 1 per kg.

VII. Notes to items in the consolidated financial Statements (all currency unit is CNY, except other statements)

1. Cash and Bank Balances

Unit: CNY

Item	Closing balance	Opening balance
Cash	292.01	292.01
Bank deposit	21,688,566,331.16	25,766,215,567.22
Other cash and cash equivalents	59,731,355.20	46,571,787.63
Total	21,748,297,978.37	25,812,787,646.86

Other notes

On December 31st 2024, the interest receivable for time deposit is CNY 2 million; The ending balance of other currency funds is mainly the funds deposited in Tenpay, Alipay and other platforms.

Liquor manufacturing enterprises should disclose in detail whether there is any special interest arrangement such as the establishment of capital co-management accounts with relevant parties

☐ Applicable ☒ N/A

2. Held-for-trading financial assets

Unit: CNY

Item	Closing balance	Opening balance
Financial asset at fair value through profit and loss	6,380,145,437.14	5,851,217,684.93
Including:		
Debt instruments	6,380,145,437.14	5,851,217,684.93
Including:		

Total	6,380,145,437.14	5,851,217,684.93
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Other notes

The debt instrument investments mainly consist of structured bank deposits maturing within one year.

3. Notes receivables

(1) Classification of notes receivables

Unit: CNY

Item	Closing balance	Opening balance
Bank acceptance bill	413,398,699.00	526,476,976.44
Total	413,398,699.00	526,476,976.44

(2) Disclosure by classification of provision for bad debts method

Unit: CNY

Item	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	amount	proportion	amount	proportion		amount	proportion	amount	proportion	
Including:										
Provision for bad debt of notes receivables by portfolio	413,398,699.00	100.00%			413,398,699.00	526,476,976.44	100.00%			526,476,976.44
Including:										
Bank acceptance bill portfolio	413,398,699.00	100.00%			413,398,699.00	526,476,976.44	100.00%			526,476,976.44
Commercial acceptance bill portfolio										
Total	413,398,699.00	100.00%			413,398,699.00	526,476,976.44	100.00%			526,476,976.44

Provision for bad debt by individual: 0.00

Unit: CNY

Item	Closing balance		
	Book balance	Provision for bad debt	Proportion
Bank acceptance bill portfolio	413,398,699.00	0.00	0.00%

Notes to determine provision for bad debt by portfolio:

If provision for bad debt of notes receivable is calculated according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information about provision for bad debt:

☐ Applicable ☒ N/A

(3) Notes receivable that have been endorsed to other parties by the Company but have not expired at the end of year

Unit: CNY

Item	Derecognition at period end	Not derecognition at period end
Bank acceptance bill		82,084,244.00
Total		82,084,244.00

4. Accounts receivables

(1) Disclosed by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	8,992,241.30	3,083,099.43
1-2 years	132,228.46	394,794.95
2-3 years	75,528.52	145,836.47
Over 3 years	3,236,677.55	3,099,790.38
3-4 years	137,146.47	122,294.80
4-5 years	122,145.00	25,199.00
Over 5 years	2,977,386.08	2,952,296.58
合计	12,436,675.83	6,723,521.23

(2) Disclosed by categories

Unit: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Risk portfolio										
Other portfolios										
Provision for bad debt by portfolio	12,436,675.83	100.00%	3,441,771.10	27.67%	8,994,904.73	6,723,521.23	100.00%	3,194,742.95	47.52%	3,528,778.28
Including::										
Risk portfolio	12,436,675.83	100.00%	3,441,771.10	27.67%	8,994,904.73	6,723,521.23	100.00%	3,194,742.95	47.52%	3,528,778.28
Total	12,436,675.83	100.00%	3,441,771.10	27.67%	8,994,904.73	6,723,521.23	100.00%	3,194,742.95	47.52%	3,528,778.28

Provision for bad debts by portfolio: Risk portfolio

Unit: CNY

Aging	Closing balance		
	Accounts receivables	Provision for bad debt	Proportion of provision
Within 1 year (including 1 year)	8,992,241.30	269,767.24	3.00%
1-2 years	132,228.46	13,222.85	10.00%
2-3 years	75,528.52	15,105.70	20.00%
Over 3 years	3,236,677.55	3,143,675.31	97.13%
Total	12,436,675.83	3,441,771.10	

Notes to determine provision for bad debt by portfolio:

If provision for bad debt of accounts receivables is calculated according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information about provision for bad debt:

☐ Applicable ☒ N/A

(3) Provision for bad debt that is accrued, recovered or reversed during this period

Provision for bad debts during this period:

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovered or reversed	Write off	Others	
Provision	3,194,742.95	247,028.15				3,441,771.10
Total	3,194,742.95	247,028.15				3,441,771.10

Significant amount of reversal or recovery during this period

Unit: CNY

Company name	Amount recovered or reversed	Reason	Method	Basis and reasonableness
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(4) Top five entities with the largest balances of the accounts receivables and contract assets

Unit: CNY

Company's name	Closing balance of the accounts receivables	Closing balance of the contract asset	Closing balance of accounts receivable and contract assets	Percentage of combined accounts receivable and contract assets closing balances	Closing balances of accounts receivable, provision for bad debts and allowance for impairment of contract assets
First	5,068,200.00		5,068,200.00	40.75%	152,046.00
Second	992,240.00		992,240.00	7.98%	29,767.20
Third	600,000.00		600,000.00	4.82%	600,000.00
Fourth	584,500.00		584,500.00	4.70%	17,535.00
Fifth	474,848.41		474,848.41	3.82%	14,245.45
Total	7,719,788.41		7,719,788.41	62.07%	813,593.65

5. Receivables for Financing

(1) Classification of accounts receivable financing

Unit: CNY

Item	Closing Balance	Opening Balance
Bank acceptance bill	1,090,851,688.67	261,576,568.30
Total	1,090,851,688.67	261,576,568.30

(2) Notes receivable that have been endorsed to other parties by the Company but have not expired at the end of year

Unit: CNY

Item	Not derecognition at period end	Not derecognition at period end
Bank acceptance bill	402,892,518.29	
Total	402,892,518.29	

6. Other receivables

Unit: CNY

Item	Closing balance	Opening balance
Other receivables	17,051,847.78	57,782,263.17
Total	17,051,847.78	57,782,263.17

(1) Other receivables

a) Other receivables by nature

Unit: CNY

Nature of other receivables	Closing balance	Opening balance
Savings deposits (infringement dispute)	22,839,924.27	22,839,924.27
Deposit	19,783,602.54	57,772,158.18
Cooperation	3,910,000.00	3,910,000.00
Business loans, petty cash and others	22,635,223.49	27,530,727.48
Total	69,168,750.30	112,052,809.93

b) Disclosure by aging

Unit: CNY

Aging	Closing balance	Opening balance
Within 1 year(including 1 year)	13,466,023.07	30,242,714.39
1-2 years	3,873,955.54	27,816,553.25
2-3 years	386,554.71	1,326,577.31
Over 3 years	51,442,216.98	52,666,964.98
3-4 years	57,942.16	153,428.50
4-5 years	100,099.68	136,528.41
Over 5 years	51,284,175.14	52,377,008.07
Total	69,168,750.30	112,052,809.93

c) Disclosed by categories

Unit: CNY

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Including:										

provision for bad debt of notes receivable is calculated according to the general model of expected credit loss.

Unit: CNY

Bad debt	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (No credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Balance as at 1 January 2024	1,559,755.73		52,710,791.03	54,270,546.76
Change of opening balance as at 1 January 2024 in current period				
Provision in 2024	914,237.08			914,237.08
Recovery in 2024	92,825.65		1,147,996.20	1,240,821.85
Other changes	1,414.69			1,414.69
Balance as at 31 December 2024	554,107.69		51,562,794.83	52,116,902.52

Basis for each stage division and provision ratio for bad debt provision

Stage	Book balance	Provision ratio for bad debts(%)	bad debts	Book balance
Stage 1	16,952,833.32	3.27	554,107.69	16,398,725.63
Stage 2				

Stage 3	52,215,916.98	98.75	51,562,794.83	653,122.15
total	69,168,750.30	75.35	52,116,902.52	17,051,847.78

Changes in the carrying amount of the provision for losses that are material during the period

☐ Applicable ☒ N/A

d) Provision for bad debt that is accrued, recovered or reversed during this period

Provision for bad debts during this period:

Unit: CNY

Category	Opening balance	Changes in current period				Changes in current period
		Provision	Recovered or reversed	Write off	Other changes	
Other receivables bad debt provision	54,270,546.76		914,237.08	1,240,821.85	1,414.69	52,116,902.52
Total	54,270,546.76		914,237.08	1,240,821.85	1,414.69	52,116,902.52

Significant amount of reversal or recovery during this period:

Unit: CNY

Company name	Amount recovered or reversed	Reason	Method	Basis and reasonableness
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e) Top five entities with the largest balances of other receivables

Unit: CNY

Company's name	Category	Closing balance	Aging	Proportion in total receivable	Provisioning amount at period end
Industrial Commercial Bank of China Ltd. Kaifeng Haode branch	Savings deposit (Infringement dispute)	22,839,924.27	Over 5 years	33.02%	22,839,924.27
Bankruptcy administrator of Jiangsu Juntai Properties Co., Ltd., Suqian Guotai Department Store Co., Ltd	Deposit	15,000,000.00	Over 5 years	21.69%	15,000,000.00
Nanjing Peilong Sports Culture Co., Ltd.	Cooperation	3,910,000.00	Over 5 years	5.65%	3,910,000.00
Wang Pu	Business loans and petty cash	1,465,000.00	Within 1 year	2.12%	43,950.00
People's Government of Yanghe Town, Yanghe New District, Suqian City	prepaid amounts	1,317,920.66	Over 5 years	1.90%	1,317,920.66
Total		44,532,844.93		64.38%	43,111,794.93

7. Prepayment

(1) Analysis by aging

Unit: CNY

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	19,339,444.03	82.97%	49,986,010.55	98.07%
1-2 years	3,442,486.62	14.77%	553,888.73	1.09%
2-3 years	99,056.60	0.42%	322,652.70	0.63%
Over 3 years	429,193.43	1.84%	109,318.05	0.21%
Total	23,310,180.68		50,971,870.03	

Significant prepayment aging over 1 year without settlement on time:

No significant prepayment aging over 1 year is recorded in the ending balance.

(2) Top five entities with the largest balances of prepayment

Company's name	Closing balance	Proportion in the total prepayment (%)
First	6,984,120.00	29.96
Second	3,677,260.98	15.78
Third	2,760,000.00	11.84
Fourth	2,546,160.38	10.92
Fifth	2,112,358.50	9.06
Total	18,079,899.86	77.56

Other notes:

8. Inventories

(1) Categories of Inventories

Unit: CNY

Portfolio Name	Closing balance			Opening balance		
	Book balance	Provision for stock obsolescence	Book value	Book balance	Provision for stock obsolescence	Book value
Raw material	374,097,980.62	23,952,619.82	350,145,360.80	389,260,644.18	13,589,541.74	375,671,102.44
Work in progress	725,622,441.56		725,622,441.56	828,665,166.57		828,665,166.57
Stock goods	2,527,102,468.33		2,527,102,468.33	3,002,855,864.98		3,002,855,864.98
semi-finished goods	16,130,010,781.04		16,130,010,781.04	14,747,043,268.26		14,747,043,268.26
Total	19,756,833,671.55	23,952,619.82	19,732,881,051.73	18,967,824,943.99	13,589,541.74	18,954,235,402.25

The disclosure requirements of food and wine manufacturing-related industries in the Guidelines for Self-regulation NO.3 of Listed Companies of Shenzhen Stock Exchange -Industry Information Disclosure shall be observed

(2) Provision for stock obsolescence and impairment provision of contract cost

Unit: CNY

Item	Opening balance	Increases in current period		Decreases in current period		Closing balance
		obsolete stocks	Other	obsolete stocks	Other	
Raw material	13,589,541.74	11,203,156.73		840,078.65		23,952,619.82
Total	13,589,541.74	11,203,156.73		840,078.65		23,952,619.82

Provision for obsolete stocks by portfolio

Item	Closing			Opening		
	Closing balance	Provision for stock obsolescence	Provision for stock obsolescence	Opening balance	Provision for stock obsolescence	Provision for stock obsolescence

Criteria for making provision for obsolete stocks by portfolio

(3) Other debt investments that will mature within one year

☐ Applicable ☒ N/A

9. Other current assets

Unit: CNY

Item	Closing balance	Opening balance
VAT to be deducted	529,561,363.52	762,211,934.44
Consumption tax to be deducted	1,273,596.46	4,951,140.52
Advance payment of consumption tax		222,795,853.29
Advance payment of income tax	379,097,755.46	10,829,180.68
Advance payment of other taxes		15,372,307.37
Total	909,932,715.44	1,016,160,416.30

Other notes:

10. Long-term equity investments

Unit: CNY

Investee	Opening balance	Opening balance of provision for impairment	Changes in current period								Closing balance	Closing balance of provision for impairment
			Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment	Other		
1.Joint venture												
2.Associated enterprise												
Jiangsu Su Wine Culture Transmission on Co, Ltd.	4,239,247.16				168,610.03					1,202,910.93	5,610,768.12	
Nanjing Hesong Culture Technology Co., Ltd.	3,809,817.82				30,595.65			34,000.00			3,806,413.47	
Jiangsu Xinghe Investment Manageme nt nt Co., Ltd.	19,619,060.33				-3,801,453.55						15,817,606.78	
Nanjing Huatai Yanghe Equity Investment Master Fund (limited partnership)	1,196,870,468.24				-4,078,401.16						1,192,792,067.08	
Jiangsu Zhibo Brewing	5,300,199.49				-83,523.84						5,216,675.65	

Technology Co., Ltd.												
Nanjing Xinglun Venture Capital Management Co., Ltd.			15,195,150.48		670,060.29			3,700,000.00			12,165,210.77	
Subtotal	1,229,838,793.04		15,195,150.48		-7,094,112.58			3,734,000.00		1,202,910.93	1,235,408,741.87	
Total	1,229,838,793.04		15,195,150.48		-7,094,112.58			3,734,000.00		1,202,910.93	1,235,408,741.87	

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒N/A

The recoverable amount is determined by the present value of estimated future cash flows

☐Applicable ☒N/A

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information.

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent.

Other note:

11. Other non-current financial assets

Unit: CNY

Item	Closing balance	Opening balance
equity instrument investment	4,614,148,799.21	5,532,792,281.26
Total	4,614,148,799.21	5,532,792,281.26

Other note:

12. Fixed assets

Unit: CNY

Item	Closing balance	Opening balance
Fixed Assets	5,571,618,070.98	5,305,626,964.48
Fixed asset disposal		
Total	5,571,618,070.98	5,305,626,964.48

(1)Details of fixed assets

Unit: CNY

Item	Buildings and constructions	Machinery equipment	Transportation equipment	Other equipment	Total
Original cost of fixed assets					
1.Opening balance	8,365,742,469.06	3,318,271,991.84	57,326,583.77	456,547,858.68	12,197,888,903.35
2.Increase in current period	586,637,986.95	179,781,565.82	15,464,305.30	78,271,289.24	860,155,147.31
(1) External purchase	213,994,285.14	513,487.28	9,155,619.71	73,934,722.02	297,598,114.15
(2) Transfer from construction in progress	372,643,701.81	179,268,078.54	6,308,685.59	4,336,567.22	562,557,033.16
(3) Increase from business combination					
3.Decrease in current period	4,562,088.00	23,940,353.91	4,109,962.83	13,822,500.64	46,434,905.38
(1) Disposal or retirement	4,562,088.00	23,940,353.91	4,109,962.83	13,822,500.64	46,434,905.38
4.Closing balance	8,947,818,368.01	3,474,113,203.75	68,680,926.24	520,996,647.28	13,011,609,145.28
Accumulated depreciation					
1.Opening balance	3,806,848,032.27	2,629,882,772.54	49,260,723.39	406,270,410.67	6,892,261,938.87
2.Increase in current period	410,102,919.14	154,197,568.42	3,479,156.21	18,812,583.41	586,592,227.18
(1) Provision	410,102,919.14	154,197,568.42	3,479,156.21	18,812,583.41	586,592,227.18
3.Decrease in current period	1,003,639.08	21,043,601.19	3,904,464.69	12,911,386.79	38,863,091.75
(1) Disposal or retirement	1,003,639.08	21,043,601.19	3,904,464.69	12,911,386.79	38,863,091.75
4.Closing balance	4,215,947,312.33	2,763,036,739.77	48,835,414.91	412,171,607.29	7,439,991,074.30
Provision for fixed asset impairment					
1.Opening balance					
2.Increase in current period					
(1) Provision					
3.Decrease in current period					
(1) Disposal or retirement					
4.Closing balance					
Book value					
1.Closing book value	4,731,871,055.68	711,076,463.98	19,845,511.33	108,825,039.99	5,571,618,070.98

2.Opening book value	4, 558, 894, 436. 79	688, 389, 219. 30	8, 065, 860. 38	50, 277, 448. 01	5, 305, 626, 964. 48
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(2) Investment properties without certification of right

Unit: CNY

Item	Book value	Reason for not having the certification of right
Yanghe Blue-collar workers apartment	24, 898, 812. 70	In process
Yanghe Base 20,000,000, 60,000 and 80,000 tons of ceramic altar warehouse	324, 967, 889. 00	In process
Yanghe Base Plant and Warehouse	159, 052, 527. 93	In process
Guizhou Wine Base Workshop Plant	108, 433, 765. 70	In process
Shuanggou Base Workshop Plant	7, 327, 595. 41	In process
Su Wine Trade Office House	5, 751, 260. 38	In process

Other note:

13. Construction in progress

Unit: CNY

Item	Closing balance	Opening balance
Construction in progress	1, 912, 601, 220. 28	1, 457, 315, 739. 56
Total	1, 912, 601, 220. 28	1, 457, 315, 739. 56

(1) Details of the construction in progress

Unit: CNY

Item	Closing balance			Opening balance		
	Book Balance	Provision for impairment	Book value	Book Balance	Provision for impairment	Book value
Shuanggou 120000 ton pottery jar storage project	318,984,997.36		318,984,997.36	140,295,657.74		140,295,657.74
Nanjing operation center building project	654,286,668.55		654,286,668.55	529,591,557.52		529,591,557.52
Sesame Fragrant Intelligent brewing Project (Workshop 115, District 3)	26,802,475.88		26,802,475.88	66,220,261.39		66,220,261.39
Yanghe base 20,000 tons of pottery altar warehouse	29,788,124.36		29,788,124.36	21,303,084.96		21,303,084.96
Yanghe base wastewater treatment capacity expansion and reconstruction project	5,574,551.34		5,574,551.34	4,191,150.45		4,191,150.45
80,000 tons of pottery jar warehouse project	32,794,603.51		32,794,603.51	182,867,988.73		182,867,988.73
Six-span brewery workshop	3,926,760.50		3,926,760.50	5,014,659.77		5,014,659.77
Exhibition and Decoration Engineering of Wine History Museum, Wine Rhyme Museum, and Wine Art Museum				78,301,551.45		78,301,551.45
Renovation of the seasoning distillery at Shuanggou Base	39,730,232.60		39,730,232.60	38,725,389.37		38,725,389.37
Upgrade and renovation project of Shuanggou Liquor Industry and Liquor Culture Tourism Area	93,926,659.69		93,926,659.69	43,661,565.61		43,661,565.61
Construction of new liquor fermentation workshop at Siyang Base	149,900,234.88		149,900,234.88	84,805,400.78		84,805,400.78
Phase II of Gui wine project	30,748,105.10		30,748,105.10	23,303,088.08		23,303,088.08
Phase III of Gui wine project	138,571,436.19		138,571,436.19	37,506,285.70		37,506,285.70
Fruit wine and fruit vinegar production line project	27,964,257.07		27,964,257.07	55,489,805.70		55,489,805.70
Lhasa Langjie Liquor Village Project	209,604,115.08		209,604,115.08	36,779,851.17		36,779,851.17
Other projects	149,997,998.17		149,997,998.17	109,258,441.14		109,258,441.14
Total	1,912,601,220.28		1,912,601,220.28	1,457,315,739.56		1,457,315,739.56

(2) Significant changes in construction in progress

Unit: CNY

Item	Budget	Opening balance	Increase in current period	Transfer into fixed assets	Other decreases	Closing balance	Proportion of accumulative project input in budget (%)	Progress	Interest capitalization rate	Include: Capitalized interest for the period	Capitalization rate for the period	Source of funds
Shuanggou	1,000,000,000.00	140,295,657.74	178,689,339.62			318,984,997.36	31.90%	Medium				Other

120000 ton pottery jar storage project								m stage				
Nanjing operation center building project	800,000,000.00	529,591,557.52	124,695,111.03			654,286,668.55	81.79%	Late stage				Other
Sesame Fragrant Intelligent brewing Project (Workshop 115, District 3)	68,842,800.00	66,220,261.39	5,406,904.73	44,824,690.24		26,802,475.88	128.35%	Late stage				Other
Yanghe base 20,000 tons of pottery altar warehouse	62,000,000.00	21,303,084.96	10,029,935.99	1,544,896.59		29,788,124.36	135.12%	Late stage				Other
Yanghe base wastewater treatment capacity expansion and reconstruction project	23,000,000.00	4,191,150.45	1,383,400.89			5,574,551.34	108.53%	Late stage				Other
80,000 tons of pottery jar warehouse project	240,000,000.00	182,867,988.73	41,158,441.55	191,231,826.77		32,794,603.51	93.35%	Late stage				Other
Six-span brewery workshop	40,000,000.00	5,014,659.77	6,388,003.36	7,475,902.63		3,926,760.50	103.29%	Late stage				Other
Exhibition and Decoration	90,000,000.00	78,301,551.45	27,589,140.05	1,278,004.25	104,612,687.25		117.66%	Project Compl				Other

Engineering of Wine History Museum, Wine Rhyme Museum, and Wine Art Museum								etion				
Renovation of the seasoning distillery at Shuanggou Base	50,600,000.00	38,725,389.37	8,658,056.96	7,653,213.73		39,730,232.60	93.64%	Late stage				Other
Upgrade and renovation project of Shuanggou Liquor Industry and Liquor Culture Tourism Area	80,000,000.00	43,661,565.61	50,547,735.69	282,641.61		93,926,659.69	117.76%	Late stage				Other
Construction of new liquor fermentation workshop at Siyang Base	600,000,000.00	84,805,400.78	184,031,556.61	118,936,722.51		149,900,234.88	44.80%	Medium stage				Other
Phase II of Gui wine project	139,540,200.00	23,303,088.08	19,301,033.40	11,856,016.38		30,748,105.10	69.66%	Late stage				Other
Phase III of Gui wine project	2,000,000,000.00	37,506,285.70	118,068,800.23	17,003,649.74		138,571,436.19	7.78%	Early stage				Other
Fruit wine and fruit vinegar production line project	80,000,000.00	55,489,805.70	41,145,722.10	68,671,270.73		27,964,257.07	120.79%	Late stage				Other
Lhasa Langjie Liquor Village Project	248,280,000.00	36,779,851.17	172,824,263.91			209,604,115.08	84.42%	Late stage				Other

Total	5,522,263,00 0.00	1,348,057,298. 42	989,917,446.12	470,758,835. 18	104,612, 687.25	1,762,603,222. 11						
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(3)Impairment testing of the construction in progress

☐Applicable ☒N/A

14.Right-of-use Assets

(1)Details of right-to-use assets

Unit: CNY

Item	Building and construction	Total
Total original carrying amount		
1.Opening balance	119,082,548.45	119,082,548.45
2. Increased	16,748,246.98	16,748,246.98
New Lease	16,748,246.98	16,748,246.98
3. Decreased	2,565,465.13	2,565,465.13
Disposal	2,565,465.13	2,565,465.13
4.Closing balance	133,265,330.30	133,265,330.30
Accumulated depreciation		
1.Opening balance	36,617,997.29	36,617,997.29
2. Increased	32,397,883.52	32,397,883.52
(1) Provisions	32,397,883.52	32,397,883.52
3. Decreased	2,565,465.13	2,565,465.13
(1) Disposal	2,565,465.13	2,565,465.13
4.Closing balance	66,450,415.68	66,450,415.68
Provision for Right-of-use Assets impairment		
1.Opening balance		
2.Increase in current period		
(1) Provision		
3.Decrease in current period		
(1) Disposal or retirement		
4.Closing balance		
Total book value		
1. Closing balance on book value	66,814,914.62	66,814,914.62
2. Opening balance on book value	82,464,551.16	82,464,551.16

15. Intangible assets

(1) Details of intangible assets

Unit: CNY

Item	Land use right	Patent right	No-patent right technology	Trademark right	Computer software	Total
Original cost of intangible assets						
1.Opening balance	2,124,996,069.48		228,495.90	399,936,371.09	183,161,384.81	2,708,322,321.28
2.Increase in current period	109,380,312.90				15,952,891.08	125,333,203.98
(1)Including: Acquired	109,380,312.90				15,952,891.08	125,333,203.98
(2)Internally developed						
(3)Business combination						

3.Decrease in current period	41,240,016.71					41,240,016.71
(1)Including: Disposal	41,240,016.71					41,240,016.71
4.Closing balance	2,193,136,365.67		228,495.90	399,936,371.09	199,114,275.89	2,792,415,508.55
Accumulated amortization of intangible assets						
1.Opening balance	451,070,007.35		9,520.65	395,144,001.63	88,982,948.68	935,206,478.31
2.Increase in current period	44,441,830.83		22,849.56	1,473,912.41	15,367,114.05	61,305,706.85
(1)Including: Provision	44,441,830.83		22,849.56	1,473,912.41	15,367,114.05	61,305,706.85
3.Decrease in current period	8,316,736.57					8,316,736.57
(1)Including: Disposal	8,316,736.57					8,316,736.57
4.Closing balance	487,195,101.61		32,370.21	396,617,914.04	104,350,062.73	988,195,448.59
Provision for impairment						
1.Opening balance						
2.Increase in current period						
(1)Including: Provision						
3.Decrease in current period						
(1)Including: Disposal						
4.Closing balance						
Book value of intangible assets						
Closing book value	1,705,941,264.06		196,125.69	3,318,457.05	94,764,213.16	1,804,220,059.96
Opening book value	1,673,926,062.13		218,975.25	4,792,369.46	94,178,436.13	1,773,115,842.97

The proportion of intangible assets formed through internal research and development of the Company in the balance of intangible assets at the end of this period is 0.00%.

(2)Status of land use rights without completed property title certificates

Unit: CNY

Item	Book Value	Reasons for unobtained property ownership certificates
Part of the Land for Phase III of the Gui Wine Project	2,281,449.74	In process

Other Notes:

According to the Termination Agreement of the Investment Agreement and Land Agreement signed on November 04, 2024 by the Company and its controlling subsidiary Harbin Binzhou Distillery Co., Ltd. with the

People's Government of Bin County, Harbin and the Bin County Natural Resources Bureau, the controlling subsidiary Harbin Binzhou Distillery Co., Ltd. returned the previously purchased land use rights, with the original cost of CNY 41,240,016.71 and net book value of CNY 32,923,280.14.

16. Goodwill

(1) Goodwill book value

Unit: CNY

Investee's name or items resulting in goodwill	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Business combination		Disposal		
Jiangsu Shuanggou Distillery Stock Co., Ltd.[Note]	276,001,989.95					276,001,989.95
Jiangsu Zhaiugou E-commerce Co., Ltd	6,940,018.79					6,940,018.79
Jiangsu Zhaibianli E-commerce Co., Ltd	21,250,284.80					21,250,284.80
Guizhou Guijiu Co., Ltd.	18,826,210.01					18,826,210.01
ZYG TECHNOLOGY INVESTMENT LTD	5,057,111.19					5,057,111.19
Guizhou Maotaizhen Guijiu Liquor Industry Co., Ltd	11,333,195.25					11,333,195.25
Total	339,408,809.99					339,408,809.99

(2) Goodwill impairment provision

Unit: CNY

Investee's name or items resulting in goodwill	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Provision		Disposal		
Jiangsu Zhaiugou E-commerce Co., Ltd	6,940,018.79					6,940,018.79
Jiangsu Zhaibianli E-commerce Co., Ltd	21,250,284.80					21,250,284.80
Guizhou Guijiu Co., Ltd.	18,826,210.01					18,826,210.01
ZYG TECHNOLOGY INVESTMENT LTD	5,057,111.19					5,057,111.19
Guizhou Maotaizhen Guijiu Liquor Industry Co., Ltd	11,333,195.25					11,333,195.25
Total	63,406,820.04					63,406,820.04

Related information of asset groups or asset group portfolio containing goodwill

(3) Related information of asset groups or asset group portfolio containing goodwill

Name	The composition and basis of the asset group	The affiliated operating branch and its basis	Whether consistent with previous years
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	or combination to which it belongs		
The asset group related to the goodwill formed by the acquisition of 40.60% equity of Jiangsu Shuanggou Liquor Industry Co., Ltd. by Jiangsu Yanghe Distillery Co., Ltd.	The baijiu production and sales business corresponding to the asset group related to the goodwill of Shuanggou Liquor Industry		Yes

Changes in asset groups or combinations of asset groups

Name	Composition before changes	Composition after changes	Objective facts and basis
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Other note:

(4) Specific determination of recoverable amount

The recoverable amount is determined as the net of fair value less costs of disposal.

☐ Applicable ☒ N/A

The recoverable amount is determined by the present value of estimated future cash flows

☒ Applicable ☐ N/A

Unit: CNY

Item	Book value	Recoverable amount	Impairment amount	Forecast period	Key parameters of the forecast period	Key parameters of the stable period	The basis for determining key parameters of the stable period
Jiangsu Shuanggou Liquor Industry Co., Ltd.	7,965,094,384.72	8,183,000,000.00	0.00	5 years	Revenue growth rate: 2%, Average gross profit margin: 44.42%	Revenue growth rate: 0%, Gross profit margin: 44.42%	The same with last year of the forecast period
Total	7,965,094,384.72	8,183,000,000.00	0.00				

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information.

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent.

17. Long-term prepaid expenses

Unit: CNY

Item	Opening balance	Increase in the current period	Amortization for the current period	Other decreases	Closing balance
Wine city night view Identification project	6,008,232.24		3,004,116.11		3,004,116.13
Brighten old factory and packaging logistics center project	872,193.70		436,096.85		436,096.85
Decoration expenses of hotel	1,171,913.90		585,956.96		585,956.94

Exhibition and decoration project for the liquor history hall, liquor culture hall, and liquor ceremony hall in wine city		104,612,687.25	10,461,268.73		94,151,418.52
Renovation project for the coffee in the liquor culture hall of wine city		4,578,000.00	457,800.00		4,120,200.00
Renovation costs for leased fixed assets		16,355,471.57	2,180,729.53		14,174,742.04
Total	8,052,339.84	125,546,158.82	17,125,968.18		116,472,530.48

Other note:

18. Deferred tax assets/ deferred tax liabilities

(1) Deferred tax assets before offset

Unit: CNY

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	75,546,599.47	18,870,816.02	72,002,831.45	17,919,840.18
Unrealized profit from internal transaction	277,831,286.46	69,457,821.62	274,116,122.67	68,529,030.67
Deductible loss	109,730,103.87	27,432,525.97	885,210,849.53	221,302,712.39
The difference between book value of debt and tax base	4,507,120,830.82	1,126,746,505.31	3,829,516,453.37	957,379,113.35
ESOP			244,727,667.97	61,181,917.00
Total	4,970,228,820.62	1,242,507,668.92	5,305,573,924.99	1,326,312,613.59

(2) deferred tax liabilities before offset

Unit: CNY

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Incremental valuation of assets in the consolidation of non-controlling interests	33,746,260.80	8,436,565.20	36,406,637.56	9,101,659.39
Fair value changes in trading financial assets	341,144,473.39	85,286,118.35	818,673,347.32	204,668,336.83
Right-of-use assets	66,814,914.62	16,670,373.40	82,464,551.16	20,616,137.79
Total	441,705,648.81	110,393,056.95	937,544,536.04	234,386,134.01

(3) Details of unrecognized deferred tax assets

Unit: CNY

Item	Closing balance	Opening balance
Deductible temporary differences	342,148,098.81	204,290,853.15
Deductible losses	792,102,634.37	115,511,259.53
Total	1,134,250,733.18	319,802,112.68

(4) Deductible losses for which deferred tax assets have not been recognized and their expiry by year

Unit: CNY

Year	Closing balance	Opening balance	Note
Year 2024		987,313.84	
Year 2025	170,484,354.53	13,861,118.62	
Year 2026	251,889,684.35	33,702,618.44	
Year 2027	192,741,997.19	24,973,327.43	
Year 2028	41,986,881.20	41,986,881.20	
Year 2029	134,999,717.10		
Total	792,102,634.37	115,511,259.53	

19. Other non-current assets

Unit: CNY

Item	Closing balance			Opening balance		
	Book Balance	Provision for impairment	Book value	Book Balance	Provision for impairment	Book value
Compensation for land demolition	165,818,556.90		165,818,556.90	203,669,611.94		203,669,611.94
Prepayment of construction equipment and house purchase	14,788,162.91		14,788,162.91	62,359,121.56		62,359,121.56
Total	180,606,719.81		180,606,719.81	266,028,733.50		266,028,733.50

Other note:

20. Assets with restricted ownership or use

Unit: CNY

Item	At the end of the period				At the beginning of the period			
	Book Balance	Book value	Restricted type	restricted situation	Book Balance	Book value	Restricted type	restricted situation
Monetary Capital	2,000,000.00	2,000,000.00	Frozen funds	Litigation freeze				
Total	2,000,000.00	2,000,000.00						

Other note:

21. Accounts payables**(1) Presentation of accounts payables**

Unit: CNY

Item	Closing balance	Opening balance
Payments for goods	1,207,733,783.47	1,403,834,890.43
Payables on equipment	56,886,431.59	22,038,661.99
Total	1,264,620,215.06	1,425,873,552.42

22. Other payables

Unit: CNY

Item	Closing balance	Opening balance
Other payables	2,066,406,374.07	2,024,640,485.37
Total	2,066,406,374.07	2,024,640,485.37

(1) Other payables

a) Categories by nature

Unit: CNY

Item	Closing balance	Opening balance
Dealer deposit	667,475,112.92	576,518,846.34
Dealer risk pledged deposit	640,952,605.43	659,025,149.71
Accrued expenses	426,779,055.57	408,783,098.49
Quality guarantee deposit and performance deposit	254,130,058.07	222,944,106.65
Other payables	77,069,542.08	157,369,284.18
Total	2,066,406,374.07	2,024,640,485.37

b) Significant other payables aged over one year or past due

Unit: CNY

Item	Closing balance	Reasons for non-settlement or carryforward
Payable Risk Deposit to Distributors and Distributor Security Deposit	562,248,947.14	Not Yet Due for Settlement
合计	562,248,947.14	

Other note:

23. Contract liabilities

Unit: CNY

Item	Closing balance	Opening balance
Advance from customers	5,982,340,689.50	7,516,605,557.37
Discounts and allowances payable to the distributors that have not yet been settled	4,361,439,158.57	3,588,157,929.81
Total	10,343,779,848.07	11,104,763,487.18

Significant contract liabilities with an aging of over 1 year

Unit: CNY

Item	Closing balance	Reasons for outstanding or carried-over balances
N/A		

Amounts and reasons for significant changes in book value during the reporting period

Unit: CNY

Item	Amount of change	Reason for change
N/A		

The company is required to comply with the disclosure requirements of the food and alcohol manufacturing related industries in the "Shenzhen Stock Exchange Listed Companies Self Regulatory Guidelines No. 3- Industry Information Disclosure"

24. Employee benefits payable

(1) Employee benefits payable shown as follows:

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Short-term benefits	338,213,836.87	3,315,468,131.54	3,353,974,894.68	299,707,073.73
Post-employment benefits-defined contribution plans		334,886,442.58	334,886,442.58	
Severance benefits		3,083,372.23	3,083,372.23	
Total	338,213,836.87	3,653,437,946.35	3,691,944,709.49	299,707,073.73

(2) Short-term employee benefits payable shown as follows:

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Wages, bonuses, allowances and grants	335,299,355.54	2,879,877,276.23	2,918,736,602.44	296,440,029.33
Employees' welfare		112,501,091.17	112,501,091.17	
Social insurance premiums		128,728,875.52	128,728,875.52	
Including: Medical Insurance		105,500,584.55	105,500,584.55	
Work-related injury insurance		8,638,765.90	8,638,765.90	
Maternity insurance premium		14,589,525.07	14,589,525.07	
Housing funds	880,470.44	180,120,891.86	179,766,972.50	1,234,389.80
Labor union expenditures and employee education funds	2,034,010.89	14,239,996.76	14,241,353.05	2,032,654.60
Total	338,213,836.87	3,315,468,131.54	3,353,974,894.68	299,707,073.73

(3) Defined Contribution Plan shown as follows:

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Basic endowment insurance premium		237,000,024.93	237,000,024.93	
Unemployment insurance premium		7,459,558.91	7,459,558.91	
Enterprise Annuity Contributions		90,426,858.74	90,426,858.74	
Total		334,886,442.58	334,886,442.58	

Other note:

25. Taxes payable

Unit: CNY

Item	Closing balance	Opening balance
Value-added tax	125,368,245.26	393,967,989.64
Consumption tax	291,725,718.18	26,998,106.27
Enterprise income tax	36,511,222.63	508,559,557.17
Individual Income Tax	37,035,658.86	25,174,574.76

Urban maintenance and construction tax	21,336,364.98	12,539,893.78
Education Surcharge	20,650,509.19	12,315,190.92
Property tax	15,926,027.13	15,274,168.78
Land use tax	4,636,450.48	4,615,997.78
Stamp tax	7,981,148.15	7,541,322.67
Comprehensive Fund		1,540.48
Other tax	3,575,518.19	2,483,520.21
Total	564,746,863.05	1,009,471,862.46

26. Non-current Liabilities Due within One Year

Unit: CNY

Item	Closing balance	Opening balance
Lease liabilities due within one year	23,588,100.85	25,080,946.40
Total	23,588,100.85	25,080,946.40

27. Other current liabilities

Unit: CNY

Item	Closing balance	Opening balance
Output VAT to be transferred	613,589,619.30	904,141,397.77
Notes endorsed but not derecognized	82,084,244.00	343,608,531.49
Total	695,673,863.30	1,247,749,929.26

28. Lease Liabilities

Unit: CNY

Item	Closing balance	Opening balance
Lease liabilities	40,134,989.46	48,709,685.88
Total	40,134,989.46	48,709,685.88

29. Long-term payables

Unit: CNY

Item	Closing balance	Opening balance
Special accounts payables	195,638,914.53	196,013,394.53
Total	195,638,914.53	196,013,394.53

(1) Special accounts payables

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Reason
Compensation for replacement of employee status	196,013,394.53		374,480.00	195,638,914.53	Formation of corporate restructuring
Total	196,013,394.53		374,480.00	195,638,914.53	

Other note:

30. Provision liability

Unit: CNY

Item	Closing balance	Opening balance	Reasons for formation
Pending litigation	2,000,000.00		Purchase and sale contract disputes

Total	2,000,000.00		
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31. Deferred incomes

Projects involving government grants:

Unit: CNY

Liability item	Opening balance	Increase in current period	Cost reduction in current period	Closing balance	The reasons for the formation
Hubei Lihuacun liquor industry liquor brewing, filling project supporting facilities construction subsidies	9,025,600.00		4,257,000.00	4,768,600.00	Project subsidies
Special fund for packaging logistics project in Shuanggou new area	3,000,000.00		3,000,000.00		Project subsidies
Special fund for Harbin Binzhou brewery construction project	41,202,900.00		41,202,900.00		Project subsidies
Shuanggou sewage treatment project	1,500,000.00		1,500,000.00		Project subsidies
The second batch of provincial-level industrial and information industry transformation and upgrading special funds in 2020	8,791,666.67		1,000,000.00	7,791,666.67	Project subsidies
Supplementary funds for the Shuanggou Pottery Tan Warehouse project	24,000,000.00	8,969,800.00		32,969,800.00	Project subsidies
Total	87,520,166.67	8,969,800.00	50,959,900.00	45,530,066.67	

Other note:

According to the Termination Agreement of the Investment Agreement and Land Agreement signed on November 04, 2024 by the Company and its controlling subsidiary Harbin Binzhou Distillery Co., Ltd. with the People's Government of Bin County, Harbin and the Bin County Natural Resources Bureau, the controlling subsidiary Harbin Binzhou Distillery Co., Ltd. returned the previously purchased land use rights, with the original cost of CNY 41,240,016.71 and net book value of CNY 32,923,280.14.

32. Share capital

Unit: CNY

	Opening balance	Increases/decreases in the current period (+, -)					Closing balance
		Issuance of new shares	Share donation	Conversion of reserves funds into shares	Others	Subtotal	
Total shares	1,506,445,074.00						1,506,445,074.00

Other notes:

33. Capital reserves

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Share premium	930,494,463.31		378,003.53	930,116,459.78
Other capital reserves	30,000.00			30,000.00
Total	930,524,463.31		378,003.53	930,146,459.78

Other notes:

The capital reserve decreased by CNY 378,003.53 during the period due to changes in subscribed capital ratios resulting from the withdrawal of certain minority shareholders of a subsidiary.

34. Other comprehensive incomes

Unit: CNY

Item	Opening balance	Current period						Closing balance
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: previously recognized in other comprehensive income transferred to retained earnings	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
II. Other comprehensive income that will be reclassified to profit or loss	2,023,194.81	-3,239,896.10				-3,248,770.30	8,874.20	-1,225,575.49
Effect on conversion of financial statements denominated in foreign currencies	2,023,194.81	-3,239,896.10				-3,248,770.30	8,874.20	-1,225,575.49
Total other comprehensive income	2,023,194.81	-3,239,896.10				-3,248,770.30	8,874.20	-1,225,575.49

Other notes, including adjustments for valid portion of the gains and or losses from cash flow hedging transferring to initial recognition amount of projects hedged.

35. Surplus reserves

Unit: CNY

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	753,494,000.00			753,494,000.00
Total	753,494,000.00			753,494,000.00

Explanation of Surplus Reserve, Including Movements During the Period and Reasons for the Changes:

36. Retained Earnings

Unit: CNY

Item	Current period	Previous period
Retained Earnings before adjustment at the end of the last year	48,746,028,613.08	44,364,203,149.57
The opening balance of retained earnings after adjustment	48,746,028,613.08	44,364,203,149.57
Add: net profit attributable to owners of the parent company for the current period	6,673,388,602.12	10,015,930,040.27
Less: Dividends payable on common shares	7,020,034,044.84	5,634,104,576.76
Retained earnings at the end of the current reporting period	48,399,383,170.36	48,746,028,613.08

Notes for adjusting undistributed profits at the beginning of the period:

(1) Retained Earnings at the beginning of the period were affected by CNY0.00 due to the retrospective adjustment under the Accounting Standards for Business Enterprises and related new regulations.

(2) Retained Earnings at the beginning of the period were affected by CNY0.00 due to changes in accounting policies.

(3) Undistributed profits at the beginning of the period were affected by CNY0.00 due to the correction of significant accounting errors.

(4) Retained Earnings at the beginning of the period were affected by CNY0.00 due to changes in the scope of consolidation resulting from business combination involving enterprises under common control.

(5) Retained Earnings at the beginning of the period were affected by CNY0.00 in total due to other adjustments

37. Operating revenue and cost of sales

Unit: CNY

Item	Current period amount		Previous period amount	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Operating incomes	28,248,295,829.62	7,328,192,444.18	32,489,436,696.05	7,761,633,378.60
Other operating income	628,001,163.94	423,025,912.48	636,840,855.46	438,611,876.82
Total	28,876,296,993.56	7,751,218,356.66	33,126,277,551.51	8,200,245,255.42

Whether the net profit is negative or not after deducting non-recurring profits and losses by audit,

☐ Yes ☒ No

Information on Operating revenue and cost of sales

Unit: CNY

Category of Contra	Segment 1		Segment 2		Current period amount		Total	
	. Operating	Cost of	. Operating	Cost of	. Operating	Cost of	. Operating	Cost of sales

	revenue	sales	revenue	sales	revenue	sales	revenue	
Commodity type								
Including:								
liquor					28,248,295,829.62	7,328,192,444.18	28,248,295,829.62	7,328,192,444.18
Other					628,001,163.94	423,025,912.48	628,001,163.94	423,025,912.48
By operating regions								
Including:								
Type of market or customer								
Including:								
Type of contract								
Including:								
By the time of commodity transfer								
Including:								
By the contract time								
Including:								
By the selling channel								
Including:								
Total					28,876,296,993.56	7,751,218,356.66	28,876,296,993.56	7,751,218,356.66

Other note:

N/A

The information related to the transaction price allocated to the remaining performance obligations:

The amount of revenue corresponding to performance obligations that have been contracted for but not yet fulfilled or not yet completed at the end of the reporting period is CNY 5,982,340,689.50. Among this amount, it is expected that CNY 5,982,340,689.50 will be recognized as revenue in the fiscal year 2025.

38. Taxes and surcharges

Unit: CNY

Item	Current period amount	Previous period amount
Consumption tax	4,027,311,662.17	4,349,218,770.04
Urban maintenance and construction tax	332,521,680.10	397,160,440.05
Educational surcharge	327,244,327.65	392,222,222.83
Resource tax	1,087,416.08	

Property tax	70,094,408.78	64,961,335.23
Land use tax	20,764,356.64	18,966,528.89
Vehicle and vessel tax	8,259.90	8,811.30
Stamp tax	46,104,635.68	46,044,367.98
Environmental protection tax	950,205.64	663,116.03
Total	4,826,086,952.64	5,269,245,592.35

39. General and administrative expenses

Unit: CNY

Item	Current period amount	Previous period amount
Payroll	825,591,922.36	733,508,090.53
Travel expense	31,334,670.57	25,415,153.72
Office allowance	7,059,860.21	8,557,932.30
Water, electric and steam expense	68,267,243.34	72,246,397.65
Business entertainment expense	36,329,981.04	26,452,270.06
Depreciation cost	366,927,532.26	408,509,046.01
Repair charge	50,368,445.90	50,787,009.79
Amortization of intangible assets	61,096,644.50	59,054,597.55
Vehicle use expense	20,934,476.56	20,497,511.65
Shipping and handling cost	27,325,505.21	26,862,025.90
Material consumption	81,337,647.08	56,972,511.21
Labor cost	40,767,488.04	42,345,481.68
Other expense	307,388,885.28	233,215,121.01
Total	1,924,730,302.35	1,764,423,149.06

40. Selling and distribution expenses

Unit: CNY

Item	Current period amount	Previous period amount
Advertising and promotion expense	3,648,740,884.77	3,460,573,010.51
Payroll	1,199,353,317.76	1,278,306,975.33
Travel expense	485,971,661.37	473,214,108.76
Labor expense	24,494,592.14	29,938,594.80
E-commerce expenses	68,031,081.97	57,389,122.19
Other expense	89,647,006.78	87,531,889.03
Total	5,516,238,544.79	5,386,953,700.62

41. Research & Development expenses

Unit: CNY

Item	Current period amount	Previous period amount
Material expenses	38,414,007.23	157,434,871.03
Payroll	47,717,944.83	79,372,512.44
Other expense	18,664,455.20	47,946,497.86
Total	104,796,407.26	284,753,881.33

42. Financial expenses

Unit: CNY

Item	Current period amount	Previous period amount
Interest expense	2,955,080.49	1,707,107.98
Bill discount expense	4,903,825.46	5,362,271.92

Interest income	-621,439,988.97	-765,369,577.25
Losses from currency exchange (Less: income)	-3,627,396.73	910,236.76
Bank charges	6,318,485.61	2,864,391.96
Total	-610,889,994.14	-754,525,568.63

43. Other income

Unit: CNY

Sources of other income	Current period amount	Previous period amount
Government grants received	50,445,321.61	51,085,965.67
Withholding personal tax commission	9,222,612.52	5,093,433.86
Total	59,667,934.13	56,179,399.53

44. Gains/losses of changes in fair value

Unit: CNY

Gains/losses of changes in fair value	Current period amount	Previous period amount
Held-for-trading financial assets	-396,164,080.43	-37,082,477.77
Total	-396,164,080.43	-37,082,477.77

45. Investment income

Unit: CNY

Item	Current period amount	Previous period amount
Investment income from long-term equity investments under the equity method	-7,094,112.58	-2,070,468.13
Investment income from financial assets held for trading during the holding period	14,472,318.38	36,767,861.85
Investment income from disposal of financial assets held for trading	153,373,438.80	248,582,039.81
Termination of recognition of financial assets measured at amortized cost and the related gains	-14,336,475.80	-27,758,655.92
Total	146,415,168.80	255,520,777.61

46. Credit Impairment Loss

Unit: CNY

Item	Current period amount	Previous period amount
Credit impairment losses of accounts receivables	-247,028.15	1,200,734.41
Credit impairment losses of other receivables	914,237.08	-319,351.09
Total	667,208.93	881,383.32

47. Losses from asset impairment

Unit: CNY

Item	Current period amount	Previous period amount
Losses on inventory devaluation and Contract assets impairment loss	-11,203,156.73	-2,742,667.54
Others		-85,350.70
Total	-11,203,156.73	-2,828,018.24

48. Gains from disposal of assets

Unit: CNY

Gains from disposal of assets	Current period amount	Previous period amount
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Gains from disposal of fixed assets	-2,729,328.84	-5,304,286.63
Gains from disposal of right-of-use assets		21,309.31
Total	-2,729,328.84	-5,282,977.32

49. Non-operating income

Unit: CNY

Item	Current period amount	Previous period amount	Amount included in non-recurring profit and loss in current period
Liquidated damages income	5,865,531.06	12,327,450.94	5,865,531.06
Compensation payment	13,181,980.36	17,220,582.75	13,181,980.36
Account payables that are unable to pay		1,549,941.67	
Gain arising from the excess of the investor's share of the fair value of the identifiable net assets of an investee over the cost of the investment in an associate.	13,641,150.48		13,641,150.48
Others	19,758,090.91	8,078,813.47	19,758,090.91
Total	52,446,752.81	39,176,788.83	52,446,752.81

50. Non-operating expenses

Unit: CNY

Item	Current period amount	Previous period amount	Amount included in non-recurring profit and loss in current period
Donation expenses	18,008,000.00	51,640,406.00	18,008,000.00
Losses from disposal of fixed assetn	37,519,936.37	5,092,844.35	37,519,936.37
Integrated fund	55,808.14	53,621.46	
Compensation expenses	2,806,650.92	435,681.98	2,806,650.92
Other Income	11,749,915.56	6,690,744.46	11,749,915.56
Total	70,140,310.99	63,913,298.25	70,084,502.85

51. Income tax expense

(1) Details of income tax expense

Unit: CNY

Item	Current period amount	Previous period amount
Income tax for the current reporting period	2,516,808,714.60	3,009,825,870.95
Deferred income tax expenses	-40,187,922.88	187,238,691.65
Total	2,476,620,791.72	3,197,064,562.60

(2) Adjustment for accounting profit and income tax expense

Unit: CNY

Item	Current period amount
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Total profit	9,143,076,611.68
Income tax expenses determined by statutory/applicable tax rate	2,285,769,152.92
Impact from subsidiaries' different tax rates	-2,109,388.36
Adjust for impact from income tax expense in previous period	6,019,375.58
Tax effect of non-taxable income	-1,844,551.45
Impact of non-deductible costs, expenses and losses	11,689,862.81
Deductible from deferred tax assets in previous period	-148,346.86
Impact of deductible temporary differences or deductible losses for which no deferred income tax assets is recognized for the current period	202,820,484.15
Impact of additional deduction of R&D expenses	-25,575,797.07
Other	
Income tax expense	2,476,620,791.72

52. Net other comprehensive income

Refer to note 34 for details.

53. Consolidated cash flow items

(1) Cash related to operation activities

Cash received from other operation activities

Unit: CNY

Item	Current period amount	Previous period amount
Interest income	968,217,714.81	510,038,375.40
Liquidated damages income	5,865,531.06	12,327,450.94
Government grants	49,658,121.61	46,328,965.67
Charges of withholding individual income tax	9,222,612.52	5,093,433.86
Others	90,638,403.62	326,642,759.68
Total	1,123,602,383.62	900,430,985.55

Cash paid for other operating activities

Unit: CNY

Item	Current period amount	Previous period amount
Transportation fee	27,952,927.32	25,051,690.74
Advertising promotion expense	3,621,048,705.65	3,540,003,293.93
Repair charge	47,723,582.77	45,704,796.31
Travel expense	531,626,092.34	503,056,183.81
Entertainment expense	48,498,800.58	43,206,639.87
Labor expense	63,302,329.76	73,562,470.06
Others	548,168,122.79	566,359,261.99
Total	4,888,320,561.21	4,796,944,336.71

(2) Cash paid for other financing activities**Other cash received relating to financing activities**

Unit: CNY

Item	Current period amount	Previous period amount
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Other cash paid relating to financing activities

Unit: CNY

Item	Current period amount	Previous period amount
Lease payment	29,771,076.14	31,233,718.70
Total	29,771,076.14	31,233,718.70

Changes in liabilities generated from financing activities☒Applicable ☐N/A

Unit: CNY

Item	Current period amount	Increase for the period		Decrease for the period		Previous period amount
		Cash change	Non-cash change	Cash change	Non-cash change	
Lease liabilities (including non-current liabilities due within one year)	73,790,632.28		20,956,101.46	29,771,076.14	1,252,567.29	63,723,090.31
Dividends payable			7,020,034,044.84	7,020,034,044.84		
Total	73,790,632.28		7,040,990,146.30	7,049,805,120.98	1,252,567.29	63,723,090.31

54. Supplementary Information about Cash Flow Statement**(1) Supplementary information about of cash flow statement**

Unit: CNY

Item	Current period amount	Previous period amount
Reconciliation of net profit to cash flow from operating activities		
Net profit	6,666,455,819.96	10,020,768,556.47
Add: Impairment of assets	10,535,947.80	1,946,634.92
Fixed assets depreciation	586,592,227.18	639,335,568.28
Right-of-use assets depreciation	32,397,883.52	27,594,763.53
Amortization of intangible assets	61,305,706.85	59,054,597.55
Amortization of long-term deferred expenses	17,125,968.18	4,026,169.92
Gains on disposal of fixed assets, intangible assets and other long-term assets	37,268,976.98	8,522,287.93
Fixed asset scrapping losses	2,980,288.23	1,853,533.74
Losses (gains) from changes in fair value	396,164,080.43	37,082,477.77
Financial expense	-672,316.24	2,617,344.74

Investments income	-146,415,168.80	-255,520,777.61
Decrease in deferred tax asset	83,804,944.67	180,381,423.47
Increase in deferred tax liabilities	-123,993,077.06	6,857,126.34
Decrease in inventory	-843,101,567.99	-1,226,697,174.83
Decrease in operation receivables	-651,364,248.55	380,090,873.53
Increase in operation payables	-1,830,670,724.59	-3,582,948,946.71
Others	330,296,496.71	-174,743,591.08
Net cash flow from operating activities	4,628,711,237.28	6,130,220,867.96
Significant investing and financing activities not involving cash flow:		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Assets under leases		
Net change in cash & cash equivalents		
Closing balance of cash	21,481,311,610.75	25,201,023,553.40
Less: Opening balance of cash	25,201,023,553.40	24,019,016,540.72
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net Increase (decrease) in cash and cash equivalents	-3,719,711,942.65	1,182,007,012.68

(2) Composition of cash and cash equivalents

Unit: CNY

Item	Closing balance	Opening balance
Cash	21,481,311,610.75	25,201,023,553.40
Including: cash on hand	292.01	292.01
Unrestricted bank deposit	21,421,579,963.54	25,154,451,473.76
Cash equivalents	59,731,355.20	46,571,787.63
Closing balance of cash and cash Equivalents	21,481,311,610.75	25,201,023,553.40

(3) Monetary funds not classified as cash and cash equivalents

Unit: CNY

Item	Current period amount	Previous period amount	Reason
Interest receivable on time deposits	264,986,367.62	611,764,093.46	Interest accrued
Freeze funds	2,000,000.00		Funds frozen
Total	266,986,367.62	611,764,093.46	

55. Foreign currency transactions

(1) Foreign currency balance

Unit: CNY

Item	Balance in foreign currency at the end of the reporting period	Exchange rate	Balance of CNY converted at the end of the reporting period
Cash and cash equivalents			50,427,535.94

Including : USD	3,453,081.61	7.1884	24,822,131.85
EUR	743,307.25	7.5257	5,593,907.37
HKD	5,441,513.18	0.9260	5,039,058.87
AUD	305,995.50	4.5070	1,379,121.72
CLP	1,806,447,619.00	0.007232	13,063,382.32
GBP	58,385.26	9.076500	529,933.81
Accounts receivables			
Including : USD			
EUR			
HKD			
Other receivables			116,383.93
Including : HKD	125,679.16	0.9260	116,383.93
Other payable			74,083.20
Including : HKD	80,000.00	0.9260	74,083.20
Long-term loans			
Including : USD			
EUR			
HKD			

(2) Description of the overseas business entity, including the important foreign business entity, which shall disclose its main foreign business place, bookkeeping standard currency and selection basis, and shall also disclose the reason for the change of the bookkeeping standard currency.

☒Applicable ☐N/A

Foreign business entities	Operation site	Functional currency	Choosing reason
JSSJ Industry (HK) Holdings Co., Limited	Hong Kong, China	HKD	Currency in the main economic environment of business operations
Hong Kong Zhaiyugo International Trade Co., Ltd.	Hong Kong, China	HKD	Currency in the main economic environment of business operations
ZYG E-Commerce HK Limited	Hong Kong, China	HKD	Currency in the main economic environment of business operations
ZYG LTD	Cayman Islands	USD	Currency in the main economic environment of business operations
YangHe International Investment Ltd	British Virgin Islands	USD	Currency in the main economic environment of business operations
ZYG TECHNOLOGY INVESTMENT LTD	British Virgin Islands	USD	Currency in the main economic environment of business operations
YANGHE CHILE SPA	Santiago, Chile	CLP	Currency in the main economic environment of business operations
Yanghe Hong Kong Distillery Co., Ltd.	Hong Kong, China	HKD	Currency in the main economic environment of business operations

VIII. Research and development expenditures

Item	Current period amount	Previous period amount
Material costs	38,414,007.23	157,434,871.03
Payroll	47,717,944.83	79,372,512.44
Other expenses	18,664,455.20	47,946,497.86
Total	104,796,407.26	284,753,881.33
Including : expensed R&D expenses	104,796,407.26	284,753,881.33

IX. Changes in consolidated scope

1. Changes of Consolidation Scope due to Other Causes

Explain the change of merger scope caused by other reasons (such as new subsidiary, liquidation subsidiary, etc.) and the relevant situation

(1) Set up subsidiaries

a) The holding subsidiary Jiangsu Yangmi Liwei Distillery Co., Ltd. subscribed capital of CNY10 million to establish Tibet Yangmiwei Distillery Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from January 2024.

b) The holding subsidiary Jiangsu Yiguo Xiang Biotechnology Co., Ltd. subscribed capital of CNY2 million to establish Suqian Yiguo Xiang Sales Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from June 2024.

c) The holding subsidiary Jiangsu Yiguo Xiang Biotechnology Co., Ltd. subscribed capital of CNY1 million to establish Hangzhou Yiguo Xiang Brand Operation Management Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from February 2024.

d) The company subscribed capital of CNY20 million to establish Hainan Yanghe Trading Co., Ltd., which has been included in the scope of consolidation for the consolidated financial statements starting from July 2024.

(2) Deregistration of Subsidiaries

a) The holding subsidiary Jiangsu Shiyang Network Technology Co., Ltd. has completed its industrial and commercial deregistration and has been excluded from the scope of consolidation for the consolidated financial statements starting from November 2024.

b) The holding subsidiary Jiangsu Yanghe Weiketang Network Technology Co., Ltd. has completed its industrial and commercial deregistration and has been excluded from the scope of consolidation for the consolidated financial statements starting from December 2024.

X. Interests in other entities

1. Interests in subsidiaries

(1) Group composition:

Unit: CNY

Name of subsidiaries	Registered capital	Major business location	Place of registration	Nature of business	Shareholding		Acquisition method
					Direct	Indirect	
Nanjing Yanghe Blue Classic Co., Ltd	1,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Commerce		100.00%	Establishment
Beijing Yanghe	3,000,000.00	Fengtai,	Fengtai,	Commerce		100.00%	Establishment

Commerce and Trade Co., Ltd.	0.00	Beijing	Beijing				
Jiangsu Huaqu Wine Group Co., Ltd.	50,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Commerce		97.00%	Establishment
Suqian Tianhai Commerce and Trade Co., Ltd.	500,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce		100.00%	Establishment
Suqian Yanghe Guibinguan Co., Ltd.	700,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Hotel industry	100.00%		Establishment
Su Wine Group Trade Co., Ltd	334,400,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce	83.63%	16.37%	Establishment
Jiangsu Yanghe Liquor Operation Management Co., Ltd.	10,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce	100.00%		Establishment
Jiangsu Shuanggou Liquor Operation Co., Ltd.	5,000,000.00	Sihong, Jiangsu province	Sihong, Jiangsu province	Commerce		100.00%	Establishment
Jiangsu Dongdi Union International Trade Co., Ltd.	5,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce	100.00%		Establishment
Jiangsu Dongdixinghui International Trade Co., Ltd.	5,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce	100.00%		Establishment
Suqian Blue Dream Trade Co., Ltd.	500,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce		100.00%	Establishment
Siyang Lantu Liquor Operation Co., Ltd.	3,000,000.00	Siyang, Jiangsu province	Siyang, Jiangsu province	Commerce	100.00%		Establishment
JSSJ Industry (HK) Holdings Co., Limited		Hong Kong, China	Hong Kong, China	CORP		100.00%	Establishment
Hubei Lihuacun Trade Co., Ltd.	2,000,000.00	Shiyan, Hubei province	Yunxian, Hubei province	Commerce		100.00%	Establishment
Jiangsu Shuanggou Distillery Stock Co., Ltd.	110,000,000.00	Sihong, Jiangsu province	Sihong, Jiangsu province	Liquor manufacture and sales	99.99%	0.01%	Business combinations involving enterprises not under common control
Sihong Shuanggou Antai Waste Recycling Co., Ltd.	2,500,000.00	Sihong, Jiangsu province	Sihong, Jiangsu province	Waste material recycle		100.00%	Business combinations involving enterprises not under common control
Hubei Lihuacun Liquor Industry Co., Ltd.	5,000,000.00	Shiyan, Hubei province	Yunxian, Hubei province	Process liquor, wine and fruit wine	100.00%		Business combinations involving enterprises not under common control
Ningxiang Miluochun Liquor Industry Co., Ltd.	500,000.00	Ningxiang, Hunan province	Ningxiang, Hunan province	Manufacture and sale of liquor and compound wine	100.00%		Business combinations involving enterprises not under common control
Harbin Binzhou Brewery Co., Ltd.	2,200,000.00	Binxian, Heilongjiang province	Binxian, Heilongjiang province	Liquor-making	100.00%		Business combinations involving enterprises

							not under common control
Su Wine Group Jiangsu Wealth Management Co., Ltd.	3,000,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Assets/investment management, information consultation	100.00%		Establishment
Ningxiang Miluochun Trade Co., Ltd.	2,000,000.00	Ningxiang, Hunan province	Ningxiang, Hunan province	Commerce		100.00%	Establishment
Suqian Blue Sky Trade Co., Ltd.	2,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce		100.00%	Establishment
Shiyan Yunyang Lihuacun Package Service Co., Ltd.	2,000,000.00	Shiyan, Hubei province	Shiyan, Hubei province	Liquor, compound wine, health wine packaging service		100.00%	Establishment
Jiangsu Zhaiugou E-commerce Co., Ltd.	198,670,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Commerce		100.00%	Business combinations involving enterprises not under common control
NanjingTongmeng City Logistics Co., Ltd.	20,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Freight Transport, Warehouse service		99.99%	Business combinations involving enterprises not under common control
Nanjing Jinling Tongmeng City Logistics Co., Ltd.	10,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Huaian Tongmeng City Logistics Co., Ltd.	10,000,000.00	Huaian, Jiangsu province	Huaian, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Changzhou Jiezhong Tongmeng City Logistics Co., Ltd.	10,000,000.00	Changzhou, Jiangsu province	Changzhou, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Nantong Tongmeng City Logistics Co., Ltd.	10,000,000.00	Nantong, Jiangsu province	Nantong, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Suzhou Tongmeng City Logistics Co., Ltd.	10,000,000.00	Suzhou, Jiangsu province	Suzhou, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Taizhou Tongmeng City Logistics Co., Ltd.	10,000,000.00	Taizhou, Jiangsu province	Taizhou, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Wuxi Tongmeng City Logistics Co., Ltd.	10,000,000.00	Wuxi, Jiangsu province	Wuxi, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control

							control
Yancheng Tongmeng City Logistics Co., Ltd.	10,000,000.00	Yancheng, Jiangsu province	Yancheng, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Zhenjiang Tongmeng City Logistics Co., Ltd.	10,000,000.00	Zhenjiang, Jiangsu province	Zhenjiang, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Yangzhou Tongmeng City Logistics Co., Ltd.	10,000,000.00	Yangzhou, Jiangsu province	Yangzhou, Jiangsu province	Freight Transport, Warehouse service		53.00%	Business combinations involving enterprises not under common control
Suqian Tongmeng City Logistics Co., Ltd.	10,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Pizhou Tongmeng City Logistics Co., Ltd.	10,000,000.00	Xuzhou, Jiangsu province	Xuzhou, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Lianyungang Huaxing Tongmeng City Logistics Co., Ltd.	10,000,000.00	Lianyungang, Jiangsu province	Lianyungang, Jiangsu province	Freight Transport, Warehouse service		51.00%	Business combinations involving enterprises not under common control
Jiangsu Zhaibianli E-commerce Co., Ltd	10,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Commerce		100.00%	Business combinations involving enterprises not under common control
Hongkong Zhaiugou International Trade Co., Ltd		Hong Kong, China	Hong Kong, China	Commerce		100.00%	Business combinations involving enterprises not under common control
Guizhou Guijiu Liquor Operation Management Co., Ltd.	816,000,000.00	Guiyang, Guizhou province	Guiyang, Guizhou province	Commerce	100.00%		Business combinations involving enterprises not under common control
Guizhou Guijiu Trade Co., Ltd.	2,000,000.00	Guiyang, Guizhou province	Guiyang, Guizhou province	Commerce		100.00%	Establishment
ZYG E-Commerce HK Limited		Hong Kong, China	Hong Kong, China	Industrial investment		100.00%	Business combinations involving enterprises not under common control
ZYG LTD		Cayman Islands	Cayman Islands	Industrial investment		69.08%	Business combinations involving enterprises not under common control
YangHe International Investment Ltd		British Virgin Islands	British Virgin Islands	Industrial investment		100.00%	Establishment

Jiangsu Shuanggou Healthy Liquor Research institute Co., Ltd.	10,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Healthy wine, nutrition and health food research and development		100.00%	Establishment
ZYG TECHNOLOGY INVESTMENT LTD		British Virgin Islands	British Virgin Islands	Industrial investment		71.03%	Business combinations involving enterprises not under common control
Jiangsu Blue Dream E-commerce Co., Ltd.	10,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Commerce		100.00%	Establishment
Kweichow Moutai Town Guijiu Liquor Industry Co., Ltd	260,000,000.00	Renhuai, Guizhou province	Renhuai, Guizhou province	Liquor manufacture and sales		100.00%	Business combinations involving enterprises not under common control
Suqian Su Wine Logistics Co., Ltd.	5,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Road general cargo transport, cargo distribution, freight forwarder	100.00%		Establishment
YANGHE CHILE SPA		Santiago, Chile	Santiago, Chile	Movable and real estate investment services, building construction services	100.00%		Establishment
Jiangsu Yanghe Investment Management Co., Ltd.	3,000,000,000.00	Suqian, Jiangsu province	Suqian, Jiangsu province	Foreign investment, Asset management, Investment consulting	50.00%	50.00%	Establishment
Su Wine Group Nanjing Operation Management Co., Ltd.	500,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Enterprise management consulting; Industrial investment; Food sales; Gift sales; House lease; Hotel management		100.00%	Establishment
Jiangsu Yangming Liwei liquor Co., Ltd.	10,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Food sales, Gift sales		100.00%	Establishment
Yanghe Hong Kong Distillery Co., Ltd.		HongKong, China	Hong Kong, China	Industrial investment	100.00%		Establishment
Jiangsu Yanghe Calligraphy and Painting Academy	2,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Painting and calligraphy creation, exhibition; Academic research; Public art education; Cultural and creative		100.00%	Establishment

				products development and promotion			
Jiangsu Shuanggou Wine Sales Co., Ltd	100,000,000.00	Sihong, Jiangsu Province	Sihong, Jiangsu Province	Commerce		100.00%	Establishment
Jiangsu Jiushang Internet Technology Co., LTD	20,000,000.00	Suqian, Jiangsu Province	Suqian, Jiangsu Province	Internet information service, alcohol sales	51.00%		Establishment
Jiangsu Yanghe Cultural Tourism Co., LTD	50,000,000.00	Suqian, Jiangsu Province	Suqian, Jiangsu Province	Tobacco retail, catering, accommodation, tourism business	100.00%		Establishment
Jiangsu Yanghe Cultural Tourism Operation Co., LTD.	20,000,000.00	Suqian, Jiangsu Province	Suqian, Jiangsu Province	Tobacco retail, catering, accommodation, tourism business		80.00%	Establishment
Siyang Blue Sky Packaging Service Co., Ltd	24,000,000.00	Sihong, Jiangsu Province	Sihong, Jiangsu Province	Wine production and packaging services	100.00%		Establishment
Tibet Earth's Third Pole Liquor Co., Ltd.	400,000,000.00	Lhasa City, Tibet Autonomous Region	Lhasa City, Tibet Autonomous Region	Liquor sales, food production, and food retailing	60.00%		Establishment
Guizhou Guijiu Liquor Industry Operation Co., Ltd	500,000.00	Zunyi City, Guizhou Province	Zunyi City, Guizhou Province	Commerce		100.00%	Establishment
Jiangsu Ulan Shangyin Catering Management Co., Ltd.	10,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Catering Management	100.00%		Establishment
Jiangsu Yanghe Dream Investment Management Co., Ltd	3,000,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Equity investment	100.00%		Establishment
Jiangsu Yanghe Blue Investment Management Co., Ltd.	10,000,000.00	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Equity investment		100.00%	Establishment
Jiangsu Yiguoxiang Biotechnology Co., Ltd	150,000,000.00	Suqian, Jiangsu Province	Suqian, Jiangsu Province	Food production, beverage production, liquor production, liquor sales, and food retailing		75.00%	Establishment
Jiangsu Yangmi Liwei Distillery Co., Ltd.	10,000,000.00	Lhasa City, Tibet Autonomous Region	Lhasa City, Tibet Autonomous Region	Food Sales; Food Import and Export; Online Food Sales; Alcoholic Product Manufacturing; Liquor		100.00%	Establishment

				Business; Food Production; Beverage Production			
Jiangsu Yiguo Xiang Biotechnology Co., Ltd.	2,000,00 0.00	Suqian, Jiangsu Province	Suqian, Jiangsu Province	Food Sales; Online Food Sales; Liquor Business; Internet Information Services, Etc.		100.00%	Establishment
Jiangsu Yiguo Xiang Biotechnology Co., Ltd.	1,000,00 0.00	Hangzhou , Zhejiang Province	Hangzhou , Zhejiang Province	Online Food Sales; Food Sales; Liquor Business; Performance Brokerage; Brand Management; Trade Brokerage, etc.		100.00%	Establishment
Hainan Yanghe Trading Co., Ltd.,	20,000,0 00.00	Dongfang , Hainan Province	Dongfang , Hainan Province	Food Production; Beverage Production; Alcoholic Product Manufacturin g; Liquor Business; Food Sales; Online Food Sales, etc.	100.00%		Establishment

The shareholding ratio in the subsidiary is different from the voting ratio:

The basis for holding half or less of the voting rights but still controlling the invested entity, and for holding more than half of the voting rights but not controlling the invested entity:

For important structural subjects included in the scope of merging, the basis of control:

Basis for determining whether the company is an agent or a principal:

Other note:

2. Interests in joint ventures and associates

(1) Important joint ventures or associates

Name of Joint venture or associate company	Main operating location	Registered location	Nature of business	Equity ownership percentage		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Nanjing Huatai Yanghe Equity Investment Fund (Limited	Nanjing, Jiangsu province	Nanjing, Jiangsu province	Equity investment, venture capital		60.00%	Equity method

Partnership)						
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Explanation of the difference between equity ownership percentage and voting rights in joint ventures or associates:

Huatai Purple Gold Investment Co., Ltd. and Jiangsu Yanghe Blue Investment Management Co., Ltd. are general partners, while Jiangsu Yanghe Dream Investment Management Co., Ltd. and Nanjing Jiangning High-tech Zone Technology Entrepreneurship Investment Management Co., Ltd. are limited partners. Huatai Purple Gold Investment Co., Ltd. subscribed for CNY1,000 million with a contribution ratio of 20%; Jiangsu Yanghe Blue Investment Management Co., Ltd. subscribed for CNY10 million with a contribution ratio of 0.20%; Jiangsu Yanghe Dream Investment Management Co., Ltd. subscribed for CNY2,990 million with a contribution ratio of 59.80%; Nanjing Jiangning High-tech Zone Technology Entrepreneurship Investment Management Co., Ltd. subscribed for CNY1,000 million with a contribution ratio of 20%. The partnership has established an Investment Decision Committee consisting of five members, with Huatai Purple Gold Investment Co., Ltd. appointing 2 members, Jiangsu Yanghe Blue Investment Management Co., Ltd. appointing 2 members, and Nanjing Jiangning High-tech Zone Technology Entrepreneurship Investment Management Co., Ltd. appointing 1 member. The executive managing partner is Huatai Purple Gold Investment Co., Ltd.

(2) Summary of financial information of significant joint ventures and associates

Unit: CNY

	Closing balance/Current period amount	Opening balance/Previous period amount
Current assets	1,983,501,827.93	1,992,133,681.31
Non-current assets	4,484,950.53	2,760,403.16
Total assets	1,987,986,778.46	1,994,894,084.47
Current liabilities		109,970.74
Non-current liabilities		
Total liabilities		109,970.74
Minority interests		
Equity attributable to owners of the parent company	1,987,986,778.46	1,994,784,113.73
Net assets attributable to shareholders based on ownership proportion	1,192,792,067.08	1,196,870,468.24
Adjustments:		
--Goodwill		
--Unrealized profits from internal transactions		
--Others		
Carrying value of investments in associates' equity	1,192,792,067.08	1,196,870,468.24
Fair value of equity investments in associates with publicly quoted prices		
Revenue	40,674,811.06	41,196,288.60
Net profit	-6,797,335.27	-5,216,821.96
Net profit from discontinued		

operations		
Other comprehensive income		
Total comprehensive income	-6,797,335.27	-5,216,821.96
Dividends received from associates during the current year		

(3) Summary of financial information of insignificant joint ventures and associates

Unit: CNY

	Closing balance/Current period amount	Opening balance/Previous period amount
Associates:		
The aggregate amount of the following items calculated based on the Company's equity share percentage of the associates		
joint ventures:		
Total carrying amount of investment	42,616,674.79	32,968,324.80
The sum of the following items calculated according to the shareholding ratio		
--Net profit	-3,015,711.42	1,059,625.04
-- Total comprehensive income	-3,015,711.42	1,059,625.04

XI. Government grants

1. Government grants recognized in the current period's income statement

☒Applicable ☐N/A

Unit: CNY

Accounting item	Current period amount	Previous period amount
Other income	50,445,321.61	51,085,965.67

XII. Risks related to financial instruments

The Group is exposed to various financial risks in the ordinary course of business, mainly including: credit risk, liquidity risk, market risk, etc. The Company's management is fully responsible for the formulation of risk management objectives and policies, and takes responsibility for risk management objectives and policies. The objective of the Company's risk management is to identify and analysis risk, minimizing the adverse impact of financial risks without excessive influence on the company's competitiveness and resilience.

1. Credit risks

Credit risk refers to the risk that one party of the financial instruments fails to perform its obligations and causes the financial losses of the other party. Credit risk mainly related to notes receivables and accounts receivable, in order to control the risk, the Company takes the following measures:

(1) Bank deposit

The company's bank deposits are mainly deposited in state-owned holding banks, large and medium-sized listed banks and other commercial banks with high credit. There is no significant credit risk and no

significant loss caused by default.

(2) Notes receivables and accounts receivables

The Company mainly trades with distributors, according to company credit policy, and adopts the way of delivery after the payments finished. For some group purchase business, it only deals with the reputable group clients, and continuously monitors the balance of notes receivables and accounts receivables, as a result, there is no collateral required, and credit risk management concentrates on the clients. The balance of notes receivables and accounts receivables are small till 31 December 2024. The Company does not hold any collateral or other credit enhancement for the balance of accounts receivables.

(3) Other receivable

The other receivables are mainly saving deposits involving infringement dispute, deposits and petty cash, employee business loan and so on. The Company manages other receivables and continuously monitors its balance, to ensure the Company not to face significant bad debt risks.

2. Liquidity risk

Liquidity risk refers to the risk of capital shortage when enterprise performs its obligations related to financial liabilities. The Company uses various financing methods such as bill clearing and bank loan to optimize the financing structure and maintain the balance between financing continuity and flexibility.

The maturity of the financial liabilities held by the Company according to the undiscounted remaining contractual obligations is analyzed as follows:

Item	Closing balance				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Account payables	1,264,620,215.06				1,264,620,215.06
Other payables	2,066,406,374.07				2,066,406,374.07
Long-term payables				195,638,914.53	195,638,914.53

(Continued)

Item	Opening balance				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Account payables	1,425,873,552.42				1,425,873,552.42
Other payables	2,024,640,485.37				2,024,640,485.37
Long-term payables				196,013,394.53	196,013,394.53

3. Market risk

Market risk is the fair value of financial instrument or future cash flow fluctuates due to the fluctuation of market price, and it mainly includes: interest rate risk, foreign exchange risk, etc.

(1) Interest rate risk

Interest rate risk refers to the fair value of financial instrument or future cash flow fluctuates due to the fluctuation of interest rate. The Company faces the risk of market interest rate change mainly related to the Company's borrowing limit.

(2) Foreign exchange risk

Foreign exchange risk arises from fluctuation in exchange rate, relevant to the assets and liabilities in foreign currency. The less import and export business happened, the lower impact of exchange rate fluctuation on company's operation.

The amount in CNY of the Company's assets and liabilities shown in foreign currencies as follows:

Item	Closing balance			Opening balance		
	Balance in foreign currency	Exchange rate	Balance in CNY	Balance in foreign currency	Exchange rate	Balance in CNY
Cash and cash equivalents						
Include: USD	3,453,081.61	7.1884	24,822,131.85	1,571,981.46	7.0827	11,133,873.05
EUR	743,307.25	7.525700	5,593,907.37	1,497,199.73	7.8592	11,766,792.12
AUD	305,995.50	4.507000	1,379,121.72	420,201.85	4.8484	2,037,306.65
HKD	5,441,513.18	0.9260	5,039,058.87	3,085,498.47	0.9062	2,796,140.42
CLP	1,806,447,619.00	0.007232	13,063,382.32	937,238,985.00	0.008001	7,498,822.93
CAD				0.43	5.3673	2.31
GBP	58,385.26	9.076500	529,933.81			
Other receivables						
Include:HKD	125,679.16	0.9260	116,383.93	205,679.16	0.9062	186,390.57
Other payables						
Include: USD				512.13	7.0827	3,627.26
HKD	80,000.00	0.9260	74,083.20	80,000.00	0.9062	72,497.60
CLP				222,853.00	0.008001	1,783.04
Net amount			50,469,836.67			35,341,420.15

The amount of foreign currency financial assets and financial liabilities of the company is small, and exchange rate fluctuations have little impact on the company's business performance.

XIII. Fair value disclosure

1. The Financial Assets and Financial Liabilities Measured at Fair Value at the end of the Reporting Period

Unit: CNY

Item	Closing fair value			
	Level 1	Level 2	Level 3	Total
Continuous fair value measurement	--	--	--	--
1.Financial assets held for trading			6,380,145,437.14	6,380,145,437.14
(1) Financial assets measured at fair value with changes recognized in profit or loss.			6,380,145,437.14	6,380,145,437.14
a) Debt instrument investment			6,380,145,437.14	6,380,145,437.14
2.Other non-current financial assets	1,025,573,681.06		3,588,575,118.15	4,614,148,799.21
Equity instrument investment	1,025,573,681.06		3,588,575,118.15	4,614,148,799.21
3.Receivables Financing:			1,090,851,688.67	1,090,851,688.67
Bank acceptance bill			1,090,851,688.67	1,090,851,688.67
Total assets continuously measured at fair value	1,025,573,681.06		11,059,572,243.96	12,085,145,925.02
Non-Continuous fair value measurement	--	--	--	--

2. Basis for determining the market price of continuous and non-continuous level 1 fair value measurement items

Item	Fair value	Active market price	
		Trading price	Information source
Continuous fair value measurement			
Other non-current financial assets	1,025,573,681.06		
Equity instrument investment	1,025,573,681.06	Closing price	Local open market closing price
Total assets continuously measured at fair value	1,025,573,681.06		

3. Valuation techniques and qualitative and quantitative information of key parameters adopted for continuous and non-continuous level 3 fair value measurement it

Item	Fair value	Valuation techniques
Continuous fair value measurement		
1.Trading financial assets:	6,380,145,437.14	
Debt instrument investment	6,380,145,437.14	Using expected rate of return as a key reference for evaluating fair value.
2.Other non-current financial assets:	3,588,575,118.15	
Equity instrument investment	3,588,575,118.15	Using cost or the investee's net assets at the end of the period as a significant reference for assessing fair value.
3.Receivables Financing:	1,090,851,688.67	
Bank acceptance bill	1,090,851,688.67	Using face value as a key reference for evaluating fair value.
Total assets continuously measured at fair value	11,059,572,243.96	

XIV. Related parties and related party transactions

1. The parent company of the Company

Name of parent company	Registration place	Business nature	Registered capital	Shareholding ratio by the parent company	Voting Ratio by the parent company
Jiangsu Yanghe Group Co., Ltd.	Suqian, Jiangsu	Grain purchase; self-supporting and agent of all kinds of goods and technology import and export business (except for goods and technology that the state limits enterprises to operate or prohibits the import and export); nickel, ferromolybdenum, refined ferronickel, nickel-chromium pig iron, nickel-	CNY 1.5 billion	34.18%	34.18%

		chromium ores, furnace materials, steel, machinery parts castings, light stabilizer 944, light stabilizer 622, antioxidant 3114, organic fertilizers, compound fertilizers, chemical raw materials (except for hazardous materials), viscose Staple fiber, cotton balances, electric bicycles and their accessories, lithium batteries, hardware and electricity sales; raw grain sales; housing rental; industrial investment; municipal utility projects, building construction projects, tourism and cultural industries investment. (Items subject to approval according to law, can only carry out business activities after approval by the relevant departments) General: sales of communications equipment; optical communications equipment sales; electronic product sales; mobile communications equipment sales; mobile terminal equipment sales; computer software, hardware and auxiliary equipment wholesale; software development; information systems integration services (in addition to projects subject to approval according to law, with a business license to carry out business activities independently according to law)			
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Information about the Company's parent company:

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Suqian Municipal People's Government.

Other statements:

2. Subsidiaries of the Company:

The information about the subsidiaries of the Company refers to NoteV.1 Interests in Subsidiaries.

3. Joint venture and associate of the Company

The information about the joint venture and associate of the Company refers to the Note V.2.

Other joint ventures and associates whose related party transactions with the Company in the current period or balance formed from related party transactions with the Company in the prior period as follows:

Name of joint venture and associate	Relationship with the Company
Jiangsu Su Wine Cultural Transmission Co., Ltd.	Associate
Nanjing Hesong Culture Technology Co., Ltd.	Associate
Jiangsu Xinghe Investment Management Co., Ltd.	Associate
Jiangsu Zhibo Brewing Technology Co., Ltd.	Associate

4. Other related party

Name of other related party	Relationship with the Company
Shanghai Haiyan Logistics Development Co., Ltd.	Holding 9.67% shares
VSPT, Viña San Pedro Tarapacá S.A.	Joint stock company, holding 12.50% shares
Shanghai Jieqiang Tobacco, Sugar & Liquor Group Distribution Co., Ltd.	controlled by a shareholder holding 3.97% of the Company's shares.

5. Related party transactions

(1) Related party transactions regarding sales and purchases of goods, provision of services and receiving services

Statement of purchase of goods / Receipt of labor services

Unit: CNY

Related Party	Transaction Content	Amount for the current period	Approved transaction amount	Whether exceeding the approved transaction amount	Amount for the prior period
VSPT, Viña San Pedro Tarapacá S.A	Red wine	14,824,418.75		No	10,847,369.03
Nanjing Hesong Culture Technology Co., Ltd.	Advertising and general publicity expense	2,793,997.43		No	3,691,780.87
Jiangsu Su Wine Cultural Transmission Co., Ltd.	Advertising expenses	2,745,551.69		No	
Jiangsu Zhibo Brewing Technology Co., Ltd.	Renovation of fermentation cellars in the workshop	18,106,902.65		No	

Statement of sales of goods/ rendering of labor services

Unit: CNY

Related Party	Transaction Content	Current period amount	Previous period amount
Shanghai Haiyan Logistics Development Co., Ltd.	Sales of liquor	6,853,890.08	16,715,216.83
Jiangsu Su Wine Cultural Transmission Co., Ltd.	Sales of liquor	64,838.75	470,992.66
Shanghai Jieqiang Tobacco, Sugar & Liquor Group Distribution Co., Ltd.	Sales of liquor	2,845,281.41	
Nanjing Huatai Yanghe Equity Investment Fund	Management consulting services	38,291,095.89	8,297,169.81

(Limited Partnership)			
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(2) Related party lease

The Company as a lessor

Unit: CNY

Related party	Types of Leased Assets	Amount in current period	Amount in previous period
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The Company as a lessee

Unit: CNY

Related party	Types of Leased Assets	Simplified rental fees for short-term leases and low value asset leases (If Applicable)		Variable lease payments not included in the measurement of lease liabilities (If Applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased use rights assets	
		Current period amount	Previous period amount	Current period amount	Previous period amount	Current period amount	Previous period amount	Current period amount	Previous period amount	Current period amount	Previous period amount
Jiangsu Yanghe Group Co., Ltd	lease of houses					96,330.28	96,330.28		4,236.33		

(3) Other related-party transactions

According to the Equity Transfer Agreement signed in March 2024 between the Company's controlling subsidiary, Sujiu Group Jiangsu Wealth Management Co., Ltd., and Jiangsu Xinghe Investment Management Co., Ltd., Jiangsu Xinghe Investment Management Co., Ltd. transferred its 37% equity interest in Nanjing Xinglun Venture Capital Management Co., Ltd. to Sujiu Group Jiangsu Wealth Management Co., Ltd.

6. Receivables from and payables to related parties

(1) Payables

Unit: CNY

Item	Related party	Closing balance	Opening balance
Contract liabilities	Shanghai Haiyan Logistics Development Co., Ltd.	2,225,250.44	2,369,114.16
Contract liabilities	Jiangsu Su Wine Cultural Transmission Co., Ltd.	3,715,442.12	3,330,783.71
Contract liabilities	Shanghai Jieqiang Tobacco, Sugar & Liquor Group Distribution Co., Ltd.	3,714,513.27	
Accounts payables	VSPT, Viña San Pedro Tarapacá S.A.	7,709,524.65	1,589.42
Other Payables	Shanghai Haiyan Logistics Development Co., Ltd.	80,000.00	133,000.00
Other Payables	Jiangsu Zhibo Brewing Technology Co., Ltd.	2,033,700.00	
Other Payables	Jiangsu Su Wine Cultural Transmission Co., Ltd.	950,000.00	950,000.00
Other Payables	Shanghai Jieqiang Tobacco, Sugar & Liquor Group Distribution Co., Ltd.	106,143.60	

XV. Commitments and contingencies

1. Significant commitments

Significant commitments as of the balance sheet date

By the end of 31 December 2024, there were no significant commitments needed to be disclosed.

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

By the end of 31 December 2024, there were no significant commitments needed to be disclosed.

XVI. Post balance sheet event

1. Profit distribution

Unit: CNY

Proposed dividend per 10 shares (yuan)	23.17
Proposed bonus shares per 10 shares (shares)	0
Proposed bonus shares per 10 shares (shares)	0
Dividend per 10 shares declared and approved for distribution (yuan)	23.17
Bonus shares per 10 shares declared and approved for distribution (shares)	0
Bonus shares per 10 shares declared and approved for distribution (shares)	0
Profit distribution plan	The Company intends to distribute a cash dividend of CNY 23.17 (including tax) per 10 shares to all shareholders based on the existing total share capital of 1,506,445,074 shares, totaling a cash distribution of CNY 3,490,433,236.45 (including tax) with no bonus shares and no capitalization. If there is any change in the total share capital of the Company before the share registration date for the implementation of the equity distribution, the distribution ratio will be adjusted in accordance with the principle that the total amount of distribution remains unchanged.

2. Explanation of post-balance sheet date events for other assets and liabilities

Pursuant to the “Proposal on Interim Profit Distribution for the Year 2024” considered and approved at the Seventh Meeting of the Eighth Session of the Board of Directors held on December 30, 2024, the Company proposed to distribute a cash dividend of CNY 23.30 (inclusive of tax) per 10 shares to all shareholders out of the unappropriated profits on the basis of its existing total share capital of 1,506,445,074 shares, amounting to a total cash dividend of CNY 3,510,017,022.42 (including tax). This proposal was considered and approved at the First Extraordinary General Meeting of 2025 held on January 15, 2025 and implemented on January 27, 2025.

By the end of April 27, 2025, the company has no post-balance sheet date events that require disclosure.

XVII. Notes to major items of financial statements of parent company

1. Accounts receivable

(1) Analysis by aging

Unit: CNY

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	280,389,316.67	95,503,189.71
Total	280,389,316.67	95,503,189.71

(2) Disclosure of accounts receivable by categories

Unit: CNY

Type	Closing balance					Opening balance				
	Carrying balance		Credit loss provision		Book value	Carrying balance		Credit loss provision		Book value
	Amount	Percentage (%)	Amount	Proportion of provision		Amount	Percentage (%)	Amount	Proportion of provision	
Including:										
Provision for bad debts by portfolio	280,389,316.67	100.00%	194,483.17	0.07%	280,194,833.50	95,503,189.71	100.00%	11,580.39	0.01%	95,491,609.32
Including:										
Risk portfolio	6,482,772.23	2.31%	194,483.17	3.00%	6,288,289.06	386,013.00	0.40%	11,580.39	3.00%	374,432.61
Other portfolio	273,906,544.44	97.69%			273,906,544.4	95,117,176.71	99.60%			95,117,176.71
Total	280,389,316.67	100.00%	194,483.17	0.07%	280,194,833.50	95,503,189.71	100.00%	11,580.39	0.01%	95,491,609.32

Provision for bad debts by portfolio: risk portfolio

Unit: CNY

Name of portfolio	Closing balance		
	Accounts receivables	Provision for bad debt	Proportion
Within 1 year	6,482,772.23	194,483.17	3.00%

Total	6,482,772.23	194,483.17	
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Notes to determine provision for bad debt by portfolio:

Provision for bad debts by portfolio: other portfolio

Name of portfolio	Closing balance		
	Accounts receivables	Provision for bad debt	Proportion
other portfolio	273, 906, 544. 44		

Notes to determine provision for bad debt by portfolio:

If the Company uses the accounts receivable provision for bad debts according to the general model of expected credit loss, please disclose the relevant information of provision for bad debt by referring to the disclosure method of other receivables

☐Applicable ☒N/A

Unit: CNY

(3) Provision for bad debt that is accrued, recovered or reversed during this period

Provision for bad debts during this period:

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovered or reversed	Write off	Others	
Provision for bad debt of accounts receivables	11,580.39	182,902.78				194,483.17
Total	11,580.39	182,902.78				194,483.17

Significant amount of reversal or recovery during this period

Unit: CNY

Company name	Amount recovered or reversed	Method
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(4) Top five entities with the largest balances of the accounts receivables and contractual assets

Unit: CNY

Company's name	Closing balance of the accounts receivables	Closing balance of the contractual assets	Total closing balance of the accounts receivables and contractual assets	Proportion in the total accounts' receivables and contractual assets (%)	Provision amount
First	156,205,384.04		156,205,384.04	55.71%	
Second	111,957,542.60		111,957,542.60	39.93%	
Third	5,743,617.80		5,743,617.80	2.05%	
Fourth	5,068,200.00		5,068,200.00	1.81%	152,046.00
Fifth	992,240.00		992,240.00	0.35%	29,767.20
Total	279,966,984.44		279,966,984.44	99.85%	181,813.20

2. Other receivables

Unit: CNY

Item	Closing balance	Opening balance
Dividend receivable		519,220.27
Other receivables	430,983,882.60	2,510,474,686.55
Total	430,983,882.60	2,510,993,906.82

(1) Dividend receivable**1) Category of dividend receivable**

Unit: CNY

Item	Closing balance	Opening balance
Jiangsu Yanghe Micro Guest Hall Network Technology Co., Ltd.		519,220.27
Total		519,220.27

(2) Other receivables**1) Disclosure of other receivable by nature**

Unit: CNY

Nature of other receivables	Closing balance	Opening balance
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Payments by related parties within the Group	486,966,579.28	2,509,089,391.72
Guarantee deposit	15,000,000.00	15,994,592.00
Business loans and petty cash	386,218.75	126,160.91
Other receivables	2,570,110.19	2,908,216.70
Total	504,922,908.22	2,528,118,361.33

2) Other receivables by aging

Unit: CNY

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	386,165,395.17	2,493,474,240.21
1-2 years	84,447,915.02	3,232,853.31
2-3 years	2,983,896.32	419,534.10
Over 3 years	31,325,701.71	30,991,733.71
3-4 years	400,000.00	460,000.00
4-5 years	460,000.00	8,830,032.00
Over 5 years	30,465,701.71	21,701,701.71
Total	504,922,908.22	2,528,118,361.33

3) According to the general model for expected credit losses

Provision for bad debts is made on the basis of a general model of expected credit losses:

Unit: CNY

Provisions for debts	Phase 1	Phase 2	Phase 3	Total
	Future 12-month ECL	Lifetime ECL(without credit impairment)	Lifetime ECL(with credit impairment)	
Balance as at 1 January 2024	69,877.22		17,573,797.56	17,643,674.78
Change of opening balance as at 1 January 2024 in current period				
Provision in 2024	-55,416.56		56,390,769.00	56,335,352.44
Reversal in 2024			40,001.60	40,001.60
Balance as at 31 December 2024	14,460.66		73,924,564.96	73,939,025.62

Basis of classification of stages and percentage of provision for bad debts

The provision for bad debts at the end of the period is based on a three-stage model as follows:

Stage	Book balance	Provision ratio for bad debts(%)	Bad debts	Book value
Stage 1	430,993,506.51		14,460.66	430,979,045.85
Stage 2				
Stage 3	73,929,401.71	99.99	73,924,564.96	4,836.75
total	504,922,908.22	14.64	73,939,025.62	430,983,882.60

Significant change of the book balance of provision during the period

☐Applicable ☒N/A

4) Provision, recovery or reversal for bad debt during this period

Provision for bad debts in the current period:

Unit: CNY

Category	Opening balance	Changes in the current period				Closing balance
		Provision	Recovered or reversed	Write off	Other changes	
Provision for other receivables bad debt	17,643,674.78	56,335,352.44		40,001.60		73,939,025.62
Total	17,643,674.78	56,335,352.44		40,001.60		73,939,025.62

Significant amount of reversal or recovery during this period:

5) Top five entities with the largest balances of the other receivables

Unit: CNY

Company's Name	Category	Closing balance	Aging	Proportion in total receivables	Provisioning amount at period end
Siyang Tianlan Packaging Service Co., Ltd.	financial transactions	316,497,317.83	Within 1 year	62.68%	
Guizhou Maotai Town Guijiu Liquor Industry Co., Ltd.	financial transactions	84,059,865.02	1-2years	16.65%	
Harbin Binzhou Brewery Co., Ltd.	financial transactions	56,407,100.00	Within 1 year 41,410,000.00, 1-2years 190,000.00, 2-3years 230,000.00, 3-4 years 400,000.00, Over 5 years 13,717,100.00	11.17%	56,407,100.00
Jiangsu Azure Drinks Catering Management Co., Ltd.	financial transactions	24,824,920.22	Within 1 year	4.92%	
Jiangsu Juntai Properties Co., Ltd., Suqian Guotai Department Store Co., Ltd.	deposit	15,000,000.00	Over 5 years	2.97%	15,000,000.00
合计		496,789,203.07		98.39%	71,407,100.00

3. Long-term equity investments

Unit: CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	9,529,141,378.94	2,000,000.00	9,527,141,378.94	9,524,901,378.94		9,524,901,378.94
Investments in joint ventures and associates	5,216,675.65		5,216,675.65	5,300,199.49		5,300,199.49
Total	9,534,358,054.59	2,000,000.00	9,532,358,054.59	9,530,201,578.43		9,530,201,578.43

(1) Investment in subsidiaries

Unit: CNY

Investee	Opening balance	Opening balance of provision for	Increase or decrease in the current period				Closing balance	Closing balance of provision for
			Increase	Decrease	Provision for impairment	Others		

		impairment			nt			impairment
Suqian Yanghe Guibinguan Co., Ltd.	700,000.00						700,000.00	
Jiangsu Shuanggou Distillery Stock Co., Ltd.	1,737,859,729.86						1,737,859,729.86	
Su Wine Trade Group Co., Ltd.	411,027,669.08						411,027,669.08	
Jiangsu Yanghe Liquor Operation Management Co., Ltd.	10,983,280.00						10,983,280.00	
Jiangsu Dongdi Union International Trade Co., Ltd.	5,000,000.00						5,000,000.00	
Jiangsu Dongdixing hui International Trade Co., Ltd.	5,000,000.00						5,000,000.00	
Siyang Lantu Liquor Operation Co., Ltd.	3,161,700.00						3,161,700.00	
Hubei Lihuacun Liquor Industry Co., Ltd.	3,000,000.00						3,000,000.00	
Ningxiang Miluochun Liquor Industry Co., Ltd.	2,129,000.00						2,129,000.00	
Harbin Binzhou Brewery Co., Ltd.	2,000,000.00				2,000,000.00			2,000,000.00
Su Wine Group Jiangsu Wealth Management Co., Ltd.	3,000,000.00						3,000,000.00	
Jiangsu Shiyang Network Technology Co., Ltd.	5,460,000.00			5,460,000.00				
Guizhou Guijiu Co., Ltd.	943,300,000.00						943,300,000.00	
Jiangsu Yanghe Weiketang Network Technology Co., Ltd.	300,000.00			300,000.00				
YANGHE CHILE	456,880,000.00						456,880,000.00	

SPA								
Jiangsu Yanghe Investment Management Co., Ltd.	1,500,000.00						1,500,000.00	
Yanghe Hong Kong Liquor Co., Ltd.	18,000,000.00						18,000,000.00	
Jiangsu Jiushang Internet Technology Co., LTD	5,100,000.00						5,100,000.00	
Tibet Earth Third Pole Liquor Industry Co., Ltd	204,000,000.00						204,000,000.00	
Jiangsu Yanghe Dream Investment Management Co., Ltd	1,206,000.00						1,206,000.00	
Suqian City Sujiu Logistics Co., Ltd.	5,000,000.00						5,000,000.00	
Jiangsu Blue Sky Drink and Catering Management Co., Ltd.			10,000.00				10,000.00	
Total	9,524,901,378.94		10,000.00	5,760,000.00	2,000,000.00		9,527,141,378.94	2,000,000.00

(2) Investment in joint ventures and associates

Unit: CNY

Investee	Opening balance (book value)	Opening balance of impairment provision	Current period changes								Closing balance (book value)	Closing balance of provision for impairment
			Additi onal invest ment	Reduc tion of invest ment	Invest ment gains or losses recog nized under the equity meth od	Adjust ment for other compr ehensi ve income	Other equity chang es	Declar ation of cash divide nds or profits	Pro visi on for im pair ment	Oth ers		
1.Joint ventures												
2.Associates												
Suqian Yanghe Guibinguan Co., Ltd.	5,300,199.49				-83,523.84						5,216,675.65	
Subtotal	5,300,199.49				-83,523.84						5,216,675.65	
Total	5,300,199.49				-83,523.84						5,216,675.65	

The recoverable amount is determined as the net of fair value less costs of disposal.

☐Applicable ☒N/A

The recoverable amount is determined by the present value of estimated future cash flows

☐Applicable ☒N/A

Reasons for differences between the foregoing information and information used for impairment testing in previous years or external information that is clearly inconsistent with the information.

Reasons for differences between the information used in the company's impairment tests in previous years and the actual situation in the current year that are clearly inconsistent.

Other note:

4. Operating revenue and cost of sales

Unit: CNY

Item	Current period amount		Previous period amount	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Primary business	12,502,235,509.11	6,605,640,905.29	12,784,912,675.46	6,545,812,647.88
Other business	349,985,734.29	234,734,828.62	427,288,188.77	320,812,482.16
Total	12,852,221,243.40	6,840,375,733.91	13,212,200,864.23	6,866,625,130.04

Information relating to revenue

Unit: CNY

Category of Contra	Segment 1		Segment 2		Current period amount		Total	
	Operatin g revenue	Cost of sales	.Operatin g revenue	Cost of sales	.Operating revenue	Cost of sales	Operating revenue	Cost of sales
Commodi ty type								
Including :								
liquor					12,502,235,509.11	6,605,640,905.29	12,502,235,509.11	6,605,640,905.29
Other					349,985,7	234,734,	349,985,7	234,734,82

					34.29	828.62	34.29	8.62
By operating regions								
Including :								
Type of market or customer								
Including :								
Type of contract								
Including :								
By the time of commodity transfer								
Including :								
By the contract time								
Including :								
By the selling channel								
Including :								
Total					12,852,221,243.40	6,840,375,733.91	12,852,221,243.40	6,840,375,733.91

Information relating to performance obligations

N/A

Information related to the transaction prices allocated to remaining performance obligations:
The amount of revenue corresponding to performance obligations under contracts that were signed but not yet fulfilled or partially fulfilled as of the end of this reporting period is CNY 13,821,314,226.37. Out of this amount, CNY 13,821,314,226.37 is expected to be recognized as revenue in 2025, with the remaining amount to be recognized in subsequent years.

5. Investment income

Unit: CNY

Item	Current period amount	Previous period amount
Investment income from long-term equity investments under the cost method	6,139,967,261.75	6,398,636,365.50
Investment income from long-term equity investments under the equity method	-83,523.84	300,199.49

Investment income from disposal of financial assets held for trading	134,177.91	
Investment income from financial assets held for trading during the holding period	7,746,336.16	6,057,651.32
Investment income from disposal of financial assets held for trading	132,721,212.85	178,521,367.26
Termination of recognition of financial assets measured at amortized cost and the related gains	-14,336,475.80	-27,758,655.92
Total	6,266,148,989.03	6,555,756,927.65

XVIII. Supplementary information

1. Detailed statement of non-recurring profits and losses

☒ Applicable ☐ N/A

Unit: CNY

Item	Amount	Note
Profit or loss from disposal of non-current assets	-40,249,265.21	
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 given at a fixed amount or quantity in accordance with the state's uniform standards)	50,445,321.61	
In addition to the effective hedging business related to the company's normal business operations, changes in fair value from holding financial assets held for trading, derivative financial assets, financial liabilities held for trading, fair value changes, and investment income from disposal of financial assets held for trading and derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	-242,790,641.63	
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the identifiable net assets of the investee at the time of acquisition.	13,641,150.48	
Other non-operating income and expense except the items mentioned above	6,241,035.85	
Less: Effect of income tax	-51,001,648.61	
Effect of minority equity	136,290.94	
Total	-161,847,041.23	---

Specific details of other profit and loss items that conform to the definition of non-recurring profits and losses

☐Applicable ☒N/A

The Company does not have any Specific details of other profit and loss items that conform to the definition of non-recurring profits and losses

Statement for extraordinary gain and loss items that the Company defines according to the definition in *Explanatory Announcement of Information Disclosure of Company that Issues Securities publicly No.1- Extraordinary Gain and Loss* and definition of recurrent gain and loss items that are listed as extraordinary gain and loss in the *Explanatory Announcement of Information Disclosure of Company that Issues Securities publicly NO. 1- Extraordinary Gain and Loss*:

☐Applicable ☒N/A

2. Return on equity and earnings per share

Profit during reporting period	Weighted average ROE	EPS (CNY/Share)	
		Basic EPS	Diluted EPS
Net profits attributable to ordinary shareholders of the Company	12.07%	4.4299	4.4299
Net profits attributable to ordinary shareholders of the Company after deduction of extraordinary gain and loss	12.37%	4.5373	4.5373

3. Difference of the accounting data under accounting rules in and out of China

(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

☐Applicable ☒N/A

(2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

☐Applicable ☒N/A

(3) Explain the reasons for differences in accounting data under domestic and foreign accounting standards, and, where the data audited by an overseas audit institution are subject to adjustment for difference, indicate the name of the overseas institution.