



**Yantai Changyu Pioneer Wine Co. Ltd.**

**2013 the Third Quarter Report**

**2013-Ding04**

**OCT 2013**

## **I. Important Notice**

**The Board of Directors, the Board of Supervisors, directors, supervisors & senior management of the Company confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements in this quarterly report, and collectively and individually accept full legal responsibility.**

**All the directors have personally attended the Board of Directors' meeting for this quarterly report.**

**Mr. Sun Liqiang (Chairman of the Company), Mr. Leng Bin (Chief Financial Officer) and Mr. Jiang Jianxun (Financial Manager) assure the truthfulness, accuracy and completeness of the financial report in the quarterly report.**

## II、Key financial data and shareholders changing

### 1. Key accounting data and financial indicators

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years because of changes of accounting policy and/or accounting errors.

☐ Yes ☒ No

	At the end of the report period		At the end of last year		More or less than the end of last year	
Total assets (CNY)	7,938,843,753.00		8,123,134,580.00		-2.27%	
Net Assets attributed to the shareholders of the listed company (CNY)	6,027,879,703.00		5,913,104,178.00		1.94%	
	In the report period	More or less than the same period of last year(%)	The beginning of the year to the end of the report period		More or less than the same period from the beginning of the year to the end of the report period(%)	
Business revenue (CNY)	809,128,064.00	-27.19%	3,348,506,298.00		-18.8%	
Net profit attributed to the shareholders of the listed company (CNY)	128,211,704.00	-46.94%	868,785,925.00		-25.28%	
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	125,190,182.00	-47.43%	861,904,605.00		-25.32%	
Net cash flows from the operating activities (CNY)	--	--	657,198,343.00		5.77%	
Basic earnings (CNY) per share	0.19	-45.71%	1.27		-25.29%	
Diluted earnings (CNY) per share	0.19	-45.71%	1.27		-25.29%	
Weighted average return on net assets(%)	2.02%	-2.58%	13.73%		-8.09%	

Details of irregular profit and loss

☒ Yes ☐ No

Unit: CNY

Item	Amount from the beginning of the year to the end of report period	Explanation
Gain on disposal of non-current assets, including the reversal of accrued impairment provision	-389,419.00	-1,822,242
Tax refund or exemption that is either non-recurring or without proper approval	0.00	4,498,219
Government grants credited in profit and loss (except for those recurring government grants that are closely related to the entity's operation, in line with related regulations and have proper basis of calculation)	7,404,700.00	6,372,646
Other non-operating expense and income	1,309,455.00	1,644,847
Less: Income tax effect	1,443,416.00	2,112,668
Total	6,881,320.00	--

The reasons shall be made clear and definitely as to the non-recurring profit and loss that the Company has defined by virtue of the Explanatory Announcement on Public Company' s Information Disclosure No.1 - Non-recurring Profit and Loss and as to regarding the non-recurring profit and loss as recurrent profit and loss as specified in the Explanatory Announcement on Public Company' s Information Disclosure No.1 - Non-recurring Profit and Loss.

☐ Available    ☒ Not available

## 2.The total number of the shareholders and top 10 shareholders with unrestricted shares at the end of the report period

Unit: share

Total number of shareholders		49,422 shareholders, including 36,482 shareholders with A shares, 12,940 shareholders with B shares				
The top 10 shareholders with unrestricted shares						
Name of Shareholders	Character of shareholders	Percentage(%)	Shares held	Number of restricted shares	Pledged or frozen	
					Share status	Amount
YANTAI CHANGYU GROUP CO. LTD	Domestic non-state-owned legal person	50.4%	345,473,856	0	—	—
GAOLING FUND,L.P.	Foreign shareholder	3.53%	24,176,997	0	—	—
GOVERNMENT OF SINGAPORE INV. CORP.- A/C "C"	Foreign shareholder	2.71%	18,569,016	0	—	—
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign shareholder	2.35%	16,106,326	0	—	—
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Foreign shareholder	1.84%	12,599,929	0	—	—
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	Foreign shareholder	0.87%	5,957,159	0	—	—
HTHK-MANULIFE CHINA VALUE FUND	Foreign shareholder	0.77%	5,272,277	0	—	—
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign shareholder	0.72%	4,934,566	0	—	—
UBS CUSTODY SERVICES SINGAPORE PTE. LTD.	Foreign shareholder	0.65%	4,431,632	0	—	—
UBS (LUXEMBOURG) S.A.	Foreign shareholder	0.57%	3,923,180	0	—	—

The top 10 shareholders with unrestricted shares			
Name of Shareholders	Number of unrestricted shares held	Type of share	
		Type of share	Amount
YANTAI CHANGYU GROUP CO. LTD	345,473,856	A share	345,473,856
GAOLING FUND,L.P.	24,176,997	B share	24,176,997
GOVERNMENT OF SINGAPORE INV. CORP.- A/C "C"	18,569,016	B share	18,569,016
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	16,106,326	B share	16,106,326
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	12,599,929	B share	12,599,929
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	5,957,159	B share	5,957,159
HTHK-MANULIFE CHINA VALUE FUND	5,272,277	B share	5,272,277
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,934,566	B share	4,934,566
UBS CUSTODY SERVICES SINGAPORE PTE. LTD.	4,431,632	B share	4,431,632
UBS (LUXEMBOURG) S.A.	3,923,180	B share	3,923,180
The explanation for the associated relationship and accordant action of the top 10 shareholders	Among the top 10 shareholders, Yantai Changyu Group Company Limited has no associated relationship or accordant action relationship with the other 9 listed shareholders, and the relationship among the other shareholders is unknown.		
Explanation for the shareholders who involved in financing activities and stock trading business(if yes)	No		

Whether or not to be agreed to buy back trading by Company shareholders during the report period

☐ Yes ☒ No

### III Major Issue

#### 1. The great changes and reasons on main accountant data and financial index during the report period

Compared the end of the report period with the beginning of the year, interest receivable of the Company is increased by 50.88%, main reason for changes is due to increasing deposit interest receivable; construction in process is increased by 49.94%, it is mainly because of increasing project investment during the report period; productive biological asset is increased by 111.95%, main reason for the change is due to expending the scale of proprietary vineyard; advance receipt is decreased by 50.15%, it is mainly because of decreasing advance loan from customers.

From January to September 2013, cash received relating to other operating activities for the Company is increased 72.20% compared with the same period of last year, it is mainly because of receiving more government subsidies; cash paid for goods purchased and labor services received is decreased 33.48% compared with with the same period of last year, main reason for the change is due to decreasing raw materials procurement cost; cash payment relating to other operating activities is decreased by 33.06%, it is mainly because of decreasing marketing cost.

From July to September 2013, Company is affected by the national related policy, sales volume of high-end wine from the Company's chateaus has been greatly declined, which caused the operating revenue decreased by 27.19% comparing with the same period of last year; therefore, the Company has reinforced cost control, which caused selling expenses decreased by 30.81% compared with the same period of last year, net profit attributed to the parent company's shareholders decreased by 46.94%.

#### 2. The commitments of the Company or shareholders of the Company holding more than 5% in the report period or until the report period

Commitments	Commitment party	Commitment content	Commitment time	Commitment period	Implementation
Commitments at share reform	-		2006.03.11	3 years	has been fulfilled
Commitments made in acquisition report or equity changes report	-				
Commitments at asset restructuring	-				
Commitments at the initial public offering or refinancing	Yantai Changyu Group Co., Ltd	According to "Trademark	1997.05.18	Forever	In-process performed

License Contract",  
the Company will

		pay trademark royalty for the "Changyu" products of Yantai Changyu Group Co., Ltd every year, Yantai Changyu Group Co., Ltd will use trademark to advertise Changyu trademarks and the Contract products.			
	Yantai Changyu Group Co, Ltd	Intra-industry competition	1997.05.18	Forever	Has been performed
Commitments made to the minority shareholders of the Company	-				
Commitment under timely implementation or not	Yes				
Specific reasons of not completing the implementation and the next step	No				

### 3. Operating performance's forecast in 2013

Warning and explanation for the estimation on the possible loss of cumulative net profit in the period from the beginning of this year to the end of the next report period or the great change comparing with same period of last year.

☐ Yes ☒ No

### 4. The Company's Receptions, Studies and Visits during report period

Reception date	Reception place	Reception way	Type of Visitor	Visitor	Reception date
2013.09.17	Meeting room of the Company	Field survey	Institution	Guangzhou Changjin Investment Management Co., LTD. Zheng Youfeng, JingLin Asset Management Co., LTD. Gao Xiang, Everbright Pramerica Fund Management Co., Ltd. Shi Xingtao, Anbang Asset Management Co., LTD Li	current business operation situation and other issues



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## IV Financial Statements

### 1. Financial statements

#### 1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 30 September 2013	At 31 December 2012
Current assets:		
Monetary fund	1,791,798,246	2,227,470,828
Financial assets for trade		
Notes receivable	84,237,982	92,635,701
Account receivable	131,709,140	135,217,384
Advance money	55,516,784	44,294,482
Interest receivable	10,887,535	7,215,854
Dividend receivable		
Other account receivable	34,190,814	28,462,945
Inventories	2,041,571,067	2,268,621,441
Non-current assets due within one year		
Other current assets		
Total current assets	4,149,911,568	4,803,918,635
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	5,000,000	5,000,000
Real estate for investment		
fixed assets	1,846,113,389	1,823,983,721
Construction in progress	1,248,778,040	832,828,689
Project material		
Liquidation of fixed assets		
Biological assets for production	84,106,300	39,681,580
Oil and gas assets		
Intangible assets	289,643,372	278,293,922
Development expenditure		
Goodwill		
Long-term deferred expenses	158,897,803	160,871,860
Assets of deferred income tax	128,524,559	150,376,138
Other non-current assets	27,868,722	28,180,035

Total non-current assets	3,788,932,185	3,319,215,945
Total assets	7,938,843,753	8,123,134,580

Current liabilities:		
Short-term loan	243,170,674	
Financial liabilities for trade		
Notes payable		
Accounts payable	365,323,117	324,881,168
Advance money	224,429,315	450,172,253
Wage payable	100,225,359	140,484,927
Tax payable	120,995,452	444,084,576
Interest payable	1,081,585	
Dividend payable		
Other accounts payable	495,753,193	470,650,111
Non-current liabilities due within one year	97,014,768	150,945,000
Other current liabilities	12,359,580	8,090,382
Total current liabilities	1,660,353,043	1,989,308,417
Non-current liabilities:		
Long-term loan		
Bond payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Liabilities of deferred income tax	5,336,115	5,336,115
Other non-current liabilities	82,534,113	69,004,861
Total non-current liabilities	87,870,228	74,340,976
Total liabilities	1,748,223,271	2,063,649,393
Shareholder rights and interests:		
Capital stock	685,464,000	685,464,000
Capital reserve	562,139,042	562,139,042
Less: treasury stock		
Surplus reserve	342,732,000	342,732,000
Undistributed profit	4,437,544,661	4,322,769,136
Total shareholder rights and interests of parent company	6,027,879,703	5,913,104,178
Minority shareholder rights and interests	162,740,779	146,381,009
Total shareholder rights and interests	6,190,620,482	6,059,485,187
Liabilities and total shareholders rights and interests	7,938,843,753	8,123,134,580

Legal representative: Sun Liqiang      Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

**2)、Balance sheet of parent company**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 30 September 2013	At 31 December 2012
Current assets:		
Monetary fund	1,167,977,411	1,090,260,851
Financial assets for trade		
Notes receivable	40,343,242	1,450,000
Account receivable	2,201,464	710,080
Advance money	30,706,628	26,131,908
Interest receivable	10,889,933	7,215,854
Dividend receivable	394,533,237	993,614,383
Other account receivable	2,429,708,265	2,194,219,753
Inventories	883,420,915	893,442,758
Non-current assets due within one year		
Other current assets		
Total current assets	4,959,781,095	5,207,045,587
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,010,192,893	1,006,492,893
Real estate for investment		
fixed assets	362,214,947	354,789,743
Construction in progress	22,678,880	24,640,660
Project material		
Liquidation of fixed assets		
Biological assets for production	55,470,520	16,866,437
Oil and gas assets		
Intangible assets	80,375,579	81,512,908
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	13,791,255	19,517,202
Other non-current assets	2,265,198	2,502,630
Total non-current assets	1,546,989,272	1,506,322,473
Total assets	6,506,770,367	6,713,368,060

Current liabilities:		
Short-term loan	243,170,674	

Financial liabilities for trade		
Notes payable		
Accounts payable	227,623,688	164,815,117
Advance money		
Wage payable	63,990,972	80,144,533
Tax payable	-17,416,427	17,995,089
Interest payable	1,081,585	
dividend payable		
Other accounts payable	1,554,113,067	1,432,464,297
Non-current liabilities due within one year		
Other current liabilities	1,807,214	1,856,337
Total current liabilities	2,074,370,773	1,697,275,373
Non-current liabilities:		
Long-term loan		
Bond payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Liabilities of deferred income tax		
Other non-current liabilities	18,643,180	19,905,019
Total non-current liabilities	18,643,180	19,905,019
Total liabilities	2,093,013,953	1,717,180,392
Shareholder rights and interests:		
Capital stock	685,464,000	685,464,000
Capital reserve	557,222,454	557,222,454
Less: treasury stock		
Surplus reserve	342,732,000	342,732,000
Undistributed profit	2,828,337,960	3,410,769,214
Minority shareholder rights and interests		
Total shareholder rights and interests	4,413,756,414	4,996,187,668
Liabilities and total shareholders rights and interests	6,506,770,367	6,713,368,060

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

**3)、Consolidated profit statement during the report period**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 30 Sep 2013	Three months ended 30 Sep 2012
1. Business income	809,128,064.00	1,111,274,005.00
Business income	809,128,064.00	1,111,274,005.00
2. Business cost	642,214,194.00	793,955,269.00
Business cost	265,940,847.00	276,233,799.00
Business tax and associate charges	49,909,259.00	68,962,518.00
Sales expenses	285,508,961.00	412,650,736.00
Management expenses	43,843,045.00	38,820,937.00
Financial expenses	-2,987,918.00	-2,712,721.00
Assets depreciation loss	0.00	0.00
Including: investment profit for joint-run business and joint venture	2,201,078,766.00	0.00
3. Operating profit	166,913,870.00	317,318,736.00
Add: Non-operating income	3,822,737.00	4,692,830.00
Less: non-operating expenditures	34,077.00	500,012.00
4. Total profit	170,702,530.00	321,511,554.00
Less: income tax expenses	42,490,826.00	79,896,949.00
5. Net profit	128,211,704.00	241,614,605.00
Net profit of parent company's owners	128,211,704.00	241,614,605.00
Minority shareholder profit and loss	0.00	0.00
6. EPS	--	--
Basic EPS	0.19	0.35
Diluted EPS	0.19	0.35
<b>8. Comprehensive Income</b>	128,211,704.00	241,614,605.00
Comprehensive Income of parent company	128,211,704.00	241,614,605.00
Comprehensive Income of minority shareholders	0.00	0.00

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

**4)、Profit statement of parent company during the report period**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 30 Sep 2013	Three months ended 30 Sep 2012
1. Business income	284,834,446.00	459,716,272.00
Less: Business cost	234,730,834.00	368,745,000.00
Business tax and associate charges	25,459,913.00	41,883,964.00
Sales expenses	0.00	0.00
Management expenses	28,839,226.00	23,869,940.00
Financial expenses	-5,164,576.00	-2,378,704.00
Assets depreciation loss	0.00	0.00
Add: fair value charge profit (loss is listed with "-")		0.00
Investment profit ((loss is listed with "-"))	141,356,045.00	280,249,888.00
Including: investment profit for joint-run business and joint venture	0.00	0.00
2. Operating profit	142,325,094.00	307,845,960.00
Add: Non-operating income	698,629.00	501,270.00
less: non-operating expenditures	200.00	299,635.00
Including: non-current assets disposing loss	0.00	0.00
3. Total profit	143,023,523.00	308,047,595.00
Less: income tax expenses	348,556.00	6,953,523.00
4. Net profit	142,674,967.00	301,094,072.00
5. EPS	--	--
Basic EPS	0.21	0.44
Diluted EPS	0.21	0.44
7. Comprehensive Income	142,674,967.00	301,094,072.00

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

**5)、Consolidated profit statement from the beginning of the year to the end of the report period**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
1. Business income	3,348,506,298.00	4,123,858,094.00
Business income	3,348,506,298.00	4,123,858,094.00
2. Business cost	2,201,078,766.00	2,585,751,044.00
Business cost	1,025,632,936.00	1,004,067,272.00
Business tax and associate charges	173,511,236.00	218,986,378.00
Sales expenses	869,789,591.00	1,233,795,194.00
Management expenses	148,739,974.00	148,161,244.00
Financial expenses	-16,594,971.00	-18,919,402.00
Assets depreciation loss		-339,642.00
3. Operating profit	1,147,427,532.00	1,538,107,050.00
Add: Non-operating income	9,498,231.00	13,526,392.00
less: non-operating expenditures	1,173,496.00	2,832,923.00
Including: non-current assets disposing loss	392,956.00	2,049,999.00
4. Total profit	1,155,752,267.00	1,548,800,519.00
Less: income tax expenses	286,966,342.00	386,042,437.00
5. Net profit	868,785,925.00	1,162,758,082.00
Net profit of parent company's owners	868,785,925.00	1,162,758,082.00
Minority shareholder profit and loss		
6. EPS	--	--
Basic EPS	1.27	1.7
Diluted EPS	1.27	1.7
7. Other Comprehensive Income		
8. Comprehensive Income	868,785,925.00	1,162,758,082.00
Comprehensive Income of parent company	868,785,925.00	1,162,758,082.00
Comprehensive Income of minority shareholders		

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

**6) Profit statement of parent company from the beginning of the year to the end of the report period**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 30 Sep 2013	Three months ended 30 Sep 2012
1. Business income	999,917,582.00	1,231,574,682.00
Less: business cost	819,840,102.00	999,715,052.00
Business tax and associate charges	86,892,698.00	113,389,718.00
Sales expenses		
Management expenses	88,086,362.00	89,302,037.00
Financial expenses	-18,358,158.00	-19,771,946.00
Assets depreciation loss		-339,642.00
Add: fair value charge profit (loss is listed with "-")		
Investment profit ((loss is listed with "-"))	152,496,487.00	292,249,888.00
Including: investment profit for joint-run business and joint venture		
2. Operating profit	175,953,065.00	341,529,350.00
Add: Non-operating income	1,803,022.00	1,486,820.00
less: non-operating expenditures	86,389.00	2,374,970.00
Including: non-current assets disposing loss	392,956.00	2,049,999.00
3. Total profit	177,669,698.00	340,641,200.00
Less: income tax expenses	6,090,552.00	10,027,484.00
4. Net profit	171,579,146.00	330,613,716.00
5. EPS	--	--
Basic EPS	0.25	0.48
Diluted EPS	0.25	0.48
6. Other Comprehensive Income		
7. Comprehensive Income	171,579,146.00	330,613,716.00

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun



## 7) Consolidated cash flow statement from the beginning of the year to the end of the report period

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	3,517,257,411.00	4,733,220,564.00
Tax refund received	25,335,492.00	45,180,110.00
Other cash received related to operating activities	61,284,645.00	35,588,731.00
<b>Subtotal of cash flows of operating activities</b>	<b>3,603,877,548.00</b>	<b>4,813,989,405.00</b>
Cash paid for goods and services	874,873,154.00	1,315,184,362.00
Cash paid to and on behalf of employees	284,568,860.00	316,408,591.00
Cash paid for taxes and expenses	1,164,415,256.00	1,630,673,705.00
Other cash paid related to operating activities	622,821,935.00	930,371,680.00
<b>Sub-total of cash outflows of operating activities</b>	<b>2,946,679,205.00</b>	<b>4,192,638,338.00</b>
<b>Net cash flow from operating activities</b>	<b>657,198,343.00</b>	<b>621,351,067.00</b>
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	825,524,719.00	606,320,001.00
Cash received from interest income	14,353,847.00	22,293,810.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,000.00	175,146.00
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
<b>Subtotal of cash flows of investment activities</b>	<b>839,882,566.00</b>	<b>628,788,957.00</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	612,825,121.00	516,976,433.00
Fixed deposit with the term of over 3 months	1,018,392,728.00	
<b>Subtotal of cash outflows of investment activities</b>	<b>1,631,217,849.00</b>	<b>516,976,433.00</b>
<b>Net cash flow from investing activities</b>	<b>-791,335,283.00</b>	<b>111,812,524.00</b>
<b>3. Cash flow from financing activities</b>		
Cash received from acquiring investment	16,359,770.00	
Including: cash received from acquiring minority	16,359,770.00	

shareholders investment by branch		
Cash received from acquiring loans	243,170,674.00	
<b>Subtotal cash flows of financing activities</b>	259,530,444.00	
Cash paid to pay debts		
Cash paid to distribute dividend, profit or pay interest	754,010,400.00	801,465,600.00
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
<b>Subtotal of cash outflows of financing activities</b>	754,010,400.00	801,465,600.00
Net cash flow from financing activities	-494,479,956.00	-801,465,600.00
<b>4. Influences of exchange rate fluctuation on cash and cash equivalents</b>		
<b>5. Net Increase in cash and cash equivalents</b>	-628,616,896.00	-68,302,009.00
<b>Add: balance at the beginning of the period of cash and cash equivalents</b>	1,562,294,026.00	1,256,517,873.00
<b>6. Balance at the end of the period of cash and cash equivalents</b>	933,677,130.00	1,188,215,864.00

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

## 8) Cash flow statement of parent company from the beginning of the year to the end of the report period

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 Sep 2013	Nine months ended 30 Sep 2012
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and rendering of services	890,924,099	1,320,094,653
Tax refund received	8,688,878	17,273,468
Other cash received related to operating activities	24,398,649	366,305,302
<b>Subtotal of cash flows of operating activities</b>	<b>924,011,626</b>	<b>1,703,673,423</b>
Cash paid for goods and services	564,718,954	1,122,843,024
Cash paid to and on behalf of employees	87,522,822	116,826,101
Cash paid for taxes and expenses	166,330,184	345,514,705
Other cash paid related to operating activities	215,322,702	1,462,655,139
<b>Sub-total of cash outflows of operating activities</b>	<b>1,033,894,662</b>	<b>3,047,838,970</b>
<b>Net cash flow from operating activities</b>	<b>-109,883,036</b>	<b>-1,344,165,547</b>
<b>2. Cash flow from investing activities:</b>		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	825,524,719	606,320,001
Cash received from obtaining investment profit	765,931,480	1,926,344,105
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,000	78,926
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
<b>Subtotal of cash flows of investment activities</b>	<b>1,591,460,199</b>	<b>2,532,743,032</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	63,872,462	53,921,352
Fixed deposit with the term of over 3 months	1,006,392,728	
Cash for investment	3,700,000	440,000,000
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
<b>Subtotal of cash outflows of investment activities</b>	<b>1,073,965,190</b>	<b>493,921,352</b>
<b>Net cash flow from investing activities</b>	<b>517,495,009</b>	<b>2,038,821,680</b>
<b>3. Cash flow from financing activities</b>		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		

Cash received from acquiring loans	243,170,674	
Other cash received related to financing activities		
<b>Subtotal cash flows of financing activities</b>	<b>243,170,674</b>	
Cash paid to pay debts		
Cash paid to distribute dividend, profit or pay interest	754,010,400	801,465,600
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
<b>Subtotal of cash outflows of financing activities</b>	<b>754,010,400</b>	<b>801,465,600</b>
Net cash flow from financing activities	-510,839,726	-801,465,600
<b>4. Influences of exchange rate fluctuation on cash and cash equivalents</b>		
<b>5. Net Increase in cash and cash equivalents</b>	<b>-103,227,753</b>	<b>-106,809,467</b>
<b>Add: balance at the beginning of the period of cash and cash equivalents</b>	425,084,049	296,735,240
<b>6. Balance at the end of the period of cash and cash equivalents</b>	<b>321,856,296</b>	<b>189,925,773</b>

Legal representative: Sun Liqiang

Person in charge of accounting: Leng Bin

Person in charge of accounting organ: Jiang Jianxun

## 2. Audit Report

Whether or not to audit the 3<sup>rd</sup> quarter report.

☐ Yes      ☒ No.

The 3<sup>rd</sup> quarter report of the company has not been audited.

**Yantai Changyu Pioneer Wine Co. Ltd.**

**Board of Directors**

**2013.10.22**