



Yantai Changyu Pioneer Wine Co. Ltd.

2014 First Quarter Report

2014-Final 02

April 2014

I. Important Notice

The board of directors, the board of supervisors, directors, supervisors & senior managers of the Company collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this report and confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements.

Except the following directors, other directors all personally attended the meeting for deliberating the annual report.

Absent directors	Directors' post	Absent reason	Authorized person
Mr. Augusto Reina	Director	Due to working	Mr. Aldino Marzorati
Mr. Jean Paul Pinard	Director	Due to working	Mr. Sun Liqiang

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

II、Key financial data and shareholders changing

1. Key financial data

Whether the Company makes retroactive adjustments or restates the accounting data of previous fiscal years.

☐ Yes ☒ No

Item	The report period	The same period of last year	More or less than last year(%)
Business income (CNY)	1,508,515,994.00	1,848,564,099.00	-18.4%
Net profit attributed to the shareholders of the listed company (CNY)	457,522,651.00	570,638,033.00	-19.82%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	454,655,351.00	568,038,508.00	-19.96%
Net cash flows from the operating activities (CNY)	706,507,223.00	523,571,540.00	34.94%
Basic earnings per share (CNY)	0.67	0.83	-19.28%
Diluted earnings per share (CNY)	0.67	0.83	-19.28%
Weighted average for earning rate of the net assets	6.64%	8.99%	-2.35%
	The end of the report period	The end of last year	More or less than last year(%)
Total assets (CNY)	8,527,529,718.00	8,001,532,444.00	6.57%
Net Assets attributed to the shareholders of the listed company (CNY)	6,665,802,356.00	6,208,279,705.00	7.37%

Details of irregular profit and loss

☒ Yes ☐ No

Unit: CNY

Item	From beginning of year to end of report period	Explanation
Gain on disposal of non-current assets, including the reversal of accrued impairment provision	-2,963.00	
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)	3,228,950.00	
Other non-operating income and expenses	184,193.00	
Less: Income tax effect	542,880.00	
Total	2,867,300.00	--

The reasons shall be made clear and definitely as to the irregular profit and loss that the Company has defined by virtue of the Explanatory Announcement on Public Company's Information Disclosure No.1 - Irregular Profit and Loss and as to regarding the irregular profit and loss as recurrent profit and loss as specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Irregular 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	Total 51,856 36695 Shareholders of A shares 15161 Shareholders of 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		0
GAOLING FUND,L.P.	Foreign shareholder	3.53%	24,176,997	0		0
GIC PRIVATE LIMITED	Foreign shareholder	2.88%	19,721,200	0		0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign shareholder	2.35%	16,106,326	0		0
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	Foreign shareholder	0.91%	6,242,128	0		0
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign shareholder	0.67%	4,585,066	0		0
BBH S/A FIDELITY FUNDS SICAV-HEALTH CARE	Foreign shareholder	0.67%	4,579,982	0		0
VALUEPARTNERSHIGH-DIVIDENDSTOCKS FUNDS	Foreign shareholder	0.62%	4,280,146	0		0
UBS (LUXEMBOURG) S.A.	Foreign shareholder	0.57%	3,908,889	0		0
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign shareholder	0.55%	3,779,202	0		0
The top 10 shareholders with unrestricted shares						
Name of Shareholders		Number of unrestricted shares held	Type of share		Amount	
			Type of share			
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	
GIC PRIVATE LIMITED		19,721,200	B share		19,721,200	
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD		16,106,326	B share		16,106,326	
GSIC A/C MONETARY AUTHORITY OF SINGAPORE		6,242,128	B share		6,242,128	
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND		4,585,066	B share		4,585,066	
BBH S/A FIDELITY FUNDS SICAV-HEALTH CARE		4,579,982	B share		4,579,982	
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS		4,280,146	B share		4,280,146	
UBS (LUXEMBOURG) S.A.		3,908,889	B share		3,908,889	

FIDELITY CHINA SPECIAL SITUATIONS PLC	3,779,202	B share	3,779,202
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 any)	No		

Whether or not the Company's shareholders promise to buy back trading during the report period

☐ Yes ☒ No

III Major Issue

1. The Great Change and Reasons on Main Accountant Data and Financial Index

Item	At 31st March 2014	At 31st December 2013	Changes %	Reasons for changes
Monetary fund	1,872,746,726	1,367,818,182	36.91%	Mainly due to receiving the cash from distributed products.
Notes receivable	284,073,362	79,702,753	256.42%	Mainly due to the growth of distributed products on bank acceptances from the clients.
Notes payable	7,635,694	5,765,694	32.43%	Mainly due to the growth of payable bank acceptances.
Interest payable	3,209,852	2,152,059	49.15%	Mainly due to the growth of payable on bank loan interest.
Item	The report period amount	Last period amount	Changes %	Reasons for changes
Operating revenue	1,508,515,994	1,848,564,099	-18.40%	Mainly due to decline of sales volume.
Operating cost	469,058,043	517,458,892	-9.35%	Mainly due to decline of sales volume.
Sales expense	298,441,169	431,460,151	-30.83%	Mainly due to reduction of advertising expense and transport cost.
Management expense	58,147,083	67,841,905	-14.29%	Mainly due to decrease of landscaping expense.
Financial expense	-11,647,090	-10,456,523	-11.39%	Mainly due to increase of deposit interests income .
Net profit of parent company's owners	457,522,651	570,638,033	-19.82%	Mainly due to decline of sales income.
Cash paid for goods and services	213,166,230	324,388,078	-34.29%	Mainly due to decline cash payment for purchasing raw materials etc.
Other cash paid related to operating activities	217,033,835	344,504,698	-37.00%	Mainly due to decline of cash payment for sales expenses.
Subtotal for cash outflows of operating activities	430,200,065	668,892,776	-35.68%	Mainly due to decline of cash payment for purchasing commodities and payment for expenses.
Cash paid to acquire fixed assets, intangible	207,206,059	151,585,839	36.69%	Mainly due to increase of cash investment of investment projects.

assets and other long-term assets				
Fixed deposit with the term of over 3 months	21,097,760	317,116,506	-93.35%	Mainly due to decrease of fixed deposit.
Subtotal for cash outflow of investment activities	228,303,819	468,702,345	-51.29%	Mainly due to decrease of fixed deposit and increase of cash paid for investment projects.
Net Increase in cash and cash equivalents	623,140,298	220,190,303	183.00%	Mainly due to receiving cash from distributed products.

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	—	—	—	—	—
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 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.	18th May 1997	Forever	In-process performed
Commitments made to the minority shareholders of the Company	Yantai Changyu Group Co. Ltd.	Intra-industry competition	18th May 1997	Forever	Has been performing
	Yes				

Commitments at middle and small shareholders of the Company	—
Commitment under timely implementation or not	Yes
Whether or not to have specific reasons of the unimplemented commitment and next steps(if any)	NO
Commitments	Commitment party
Commitments at share reform	—

3. Forecast on the operating performance from January to June in 2014

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

IV Financial Statements

1. Financial statements

1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 31 March 2014	At 31 December 2013
Current assets:		
Monetary fund	1,872,746,726.00	1,367,818,182.00
Financial assets for trade		
Notes receivable	284,073,362.00	79,702,753.00
Account receivable	151,125,593.00	177,109,516.00
Advance money	43,922,742.00	45,997,863.00
Interest receivable	6,828,316.00	8,417,995.00
Dividend receivable		
Other account receivable	95,344,143.00	99,331,794.00
Inventories	1,821,469,127.00	2,121,117,437.00
Non-current assets due within one year		
Other current assets		
Total current assets	4,275,510,009.00	3,899,495,540.00
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	0.00	0.00
Real estate for investment		
Fixed assets	1,903,655,644.00	1,917,641,344.00
Construction in progress	1,589,464,800.00	1,423,654,530.00
Project material	711,083.00	676,539.00
Liquidation of fixed assets		
Biological assets for production	107,574,820.00	101,794,515.00
Oil and gas assets		
Intangible assets	299,274,234.00	296,129,754.00
Development expenditure		
Goodwill	13,112,525.00	13,112,525.00
Long-term deferred expenses	166,513,513.00	165,521,803.00
Assets of deferred income tax	146,993,662.00	158,533,090.00
Other non-current assets	24,719,428.00	24,972,804.00
Total non-current assets	4,252,019,709.00	4,102,036,904.00

Total assets	8,527,529,718.00	8,001,532,444.00
Current liabilities:		
Short-term loan	243,170,674.00	243,170,674.00
Financial liabilities for trade		
Notes payable	7,635,694.00	5,765,694.00
Accounts payable	211,540,559.00	258,116,331.00
Advance money	230,220,156.00	188,651,254.00
Wage payable	117,656,747.00	134,322,137.00
Tax payable	171,040,507.00	194,413,430.00
Interest payable	3,209,852.00	2,152,059.00
Dividend payable		
Other accounts payable	610,322,593.00	497,301,630.00
Non-current liabilities due within one year	0.00	0.00
Other current liabilities	12,830,801.00	12,915,801.00
Total current liabilities	1,607,627,583.00	1,536,809,010.00
Non-current liabilities:		
Long-term loan		
Bond payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Liabilities of deferred income tax	5,336,115.00	5,336,115.00
Other non-current liabilities	86,022,885.00	88,366,835.00
Total non-current liabilities	91,359,000.00	93,702,950.00
Total liabilities	1,698,986,583.00	1,630,511,960.00
Shareholder rights and interests:		
Capital stock	685,464,000.00	685,464,000.00
Capital reserve	563,139,042.00	563,139,042.00
Less: treasury stock		
Surplus reserve	342,732,000.00	342,732,000.00
Undistributed profit	5,074,467,314.00	4,616,944,663.00
Total shareholder rights and interests of parent company	6,665,802,356.00	6,208,279,705.00
Minority shareholder rights and interests	162,740,779.00	162,740,779.00
Total shareholder rights and interests	6,828,543,135.00	6,371,020,484.00
Liabilities and total shareholders rights and interests	8,527,529,718.00	8,001,532,444.00

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 31 March 2014	At 31 December 2013
Current assets:		
Monetary fund	614,635,007.00	602,444,243.00
Notes receivable	148,701,399.00	32,594,381.00
Account receivable	1,871,457.00	1,600,968.00
Advance money	25,443,528.00	24,824,672.00
Interest receivable	6,828,316.00	8,417,995.00
Dividend receivable	752,595,884.00	752,595,884.00
Other account receivable	3,294,514,228.00	3,709,583,949.00
Inventories	727,131,141.00	781,284,189.00
Non-current assets due within one year		
Other current assets		
Total current assets	5,571,720,960.00	5,913,346,281.00
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,048,208,923.00	1,048,208,923.00
Real estate for investment		
Fixed assets	422,500,148.00	425,294,116.00
Construction in progress	279,802.00	269,802.00
Project material		
Liquidation of fixed assets		
Biological assets for production	64,826,963.00	60,851,409.00
Oil and gas assets		
Intangible assets	78,546,562.00	79,139,831.00
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	19,487,865.00	22,956,747.00
Other non-current assets	2,464,762.00	2,616,525.00
Total non-current assets	1,636,315,025.00	1,639,337,353.00
Total assets	7,208,035,985.00	7,552,683,634.00
Current liabilities:		
Short-term loan	243,170,674.00	243,170,674.00
Financial liabilities for trade		
Notes payable		
Accounts payable	175,709,754.00	166,453,563.00

Advance money		
Wage payable	53,823,620.00	69,032,912.00
Tax payable	28,202,274.00	37,578,670.00
Interest payable	3,209,852.00	2,152,059.00
Dividend payable		
Other accounts payable	1,217,593,964.00	1,612,596,521.00
Non-current liabilities due within one year		
Other current liabilities	2,659,227.00	2,559,227.00
Total current liabilities	1,724,369,365.00	2,133,543,626.00
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	22,335,655.00	22,275,462.00
Total non-current liabilities	22,335,655.00	22,275,462.00
Total liabilities	1,746,705,020.00	2,155,819,088.00
Shareholder rights and interests:		
Capital stock	685,464,000.00	685,464,000.00
Capital reserve	557,222,454.00	557,222,454.00
Less: treasury stock		
Surplus reserve	342,732,000.00	342,732,000.00
Undistributed profit	3,875,912,511.00	3,811,446,092.00
Total shareholder rights and interests	5,461,330,965.00	5,396,864,546.00
Liabilities and total shareholders rights and interests	7,208,035,985.00	7,552,683,634.00

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

3、Consolidated profit statement

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2014	Three months ended 31 March 2013
1. Total business income	1,508,515,994.00	1,848,564,099.00
Less: Business income	1,508,515,994.00	1,848,564,099.00
2. Total business cost	903,007,231.00	1,092,515,575.00
Including: Business cost	469,058,043.00	517,458,892.00
Business tax and associate charges	89,008,026.00	86,211,150.00
Sales expenses	298,441,169.00	431,460,151.00
Management expenses	58,147,083.00	67,841,905.00
Financial expenses	-11,647,090.00	-10,456,523.00
Assets depreciation loss		0.00
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")		
Including: investment profit for joint-run business and joint venture		
3. Operating profit (loss is listed with "-")	605,508,763.00	756,048,524.00
Add: Non-operating income	3,417,162.00	3,476,652.00
Less: non-operating expenditures	6,982.00	416,401.00
Including: non-current assets disposing loss		
4. Total profit (loss is listed with "-")	608,918,943.00	759,108,775.00
Less: income tax expenses	151,396,292.00	188,470,742.00
5. Net profit (net loss is listed with "-")	457,522,651.00	570,638,033.00
Net profit of parent company's owners	457,522,651.00	570,638,033.00
Minority shareholder profit and loss		
6. EPS	--	--
Basic EPS	0.67	0.83
Diluted EPS	0.67	0.83
7. Other Comprehensive income		
8. Total comprehensive income	457,522,651.00	570,638,033.00
Total comprehensive income of parent company	457,522,651.00	570,638,033.00
Total comprehensive income of minority shareholders		

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2014	Three months ended 31 March 2013
1. Business income	400,540,963.00	450,311,216.00
Less: Business cost	319,026,288.00	365,031,211.00
Business tax and associate charges	48,514,935.00	42,167,365.00
Sales expenses		
Management expenses	26,741,551.00	25,580,417.00
Financial expenses	-12,343,282.00	-7,863,208.00
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	50,000,000.00	11,140,442.00
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	68,601,471.00	36,535,873.00
Add: non-operating income	687,088.00	607,700.00
Less: non-operating expenditures		
Including: non-current assets disposing loss		
3. Total profit (loss is listed with "-")	69,288,559.00	37,143,573.00
Less: income tax expenses	4,822,140.00	6,384,762.00
4. Net profit (net loss is listed with "-")	64,466,419.00	30,758,811.00
5. EPS	--	--
Basic EPS	0.09	0.04
Diluted EPS	0.09	0.04
6. Other Comprehensive income		
7. Total comprehensive income	64,466,419.00	30,758,811.00

Legal representative: Sun Liqiang

Person in charge of accounting : Leng Bin

Person in charge of accounting organ: Jiang Jianxun

5)、Consolidated cash flow statement

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2014	Three months ended 31 March 2013
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,668,942,443.00	1,880,180,100.00
Tax refund received		2,677,946.00
Other cash received related to operating activities	2,478,306.00	29,742,440.00
Subtotal of cash flows of operating activities	1,671,420,749.00	1,912,600,486.00
Cash paid for goods and services	213,166,230.00	324,388,078.00
Cash paid to and on behalf of employees	93,307,996.00	127,239,528.00
Cash paid for taxes and expenses	441,405,465.00	592,896,642.00
Other cash paid related to operating activities	217,033,835.00	344,504,698.00
Sub-total of cash outflows of operating activities	964,913,526.00	1,389,028,946.00
Net cash flow from operating activities	706,507,223.00	523,571,540.00
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	141,149,047.00	160,492,178.00
Cash received from obtaining investment profit	3,787,847.00	4,828,930.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Subtotal of cash flows of investment activities	144,936,894.00	165,321,108.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	207,206,059.00	151,585,839.00
Fixed deposit with the term of over 3 months	21,097,760.00	317,116,506.00
Cash for investment		
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	228,303,819.00	468,702,345.00
Net cash flow from investing activities	-83,366,925.00	-303,381,237.00
3. Cash flow from financing activities		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		
Cash received from acquiring loans		
Other cash received related to financing activities		
Subtotal cash flows of financing activities		
Cash paid to pay debts		
Cash paid to distribute dividend, profit or pay interest		
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	623,140,298.00	220,190,303.00

Add: balance at the beginning of the period of cash and cash equivalents	956,558,932.00	1,562,294,026.00
6.Balance at the end of the period of cash and cash equivalents	1,579,699,230.00	1,782,484,329.00

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

6)、Cash flow statement of parent company

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Three months ended 31 March 2014	Three months ended 31 March 2013
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	321,579,341.00	326,567,470.00
Tax refund received		823,678.00
Other cash received related to operating activities	12,063,481.00	494,987,939.00
Subtotal of cash flows of operating activities	333,642,822.00	822,379,087.00
Cash paid for goods and services	140,455,443.00	183,385,689.00
Cash paid to and on behalf of employees	45,319,498.00	46,179,369.00
Cash paid for taxes and expenses	80,131,374.00	100,551,494.00
Other cash paid related to operating activities	94,727,861.00	121,640,167.00
Sub-total of cash outflows of operating activities	360,634,176.00	451,756,719.00
Net cash flow from operating activities	-26,991,354.00	370,622,368.00
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	141,149,047.00	160,492,178.00
Cash received from obtaining investment profit	53,787,847.00	48,508,529.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of branch and other business unit		
Other cash received related to investing activities		
Subtotal of cash flows of investment activities	194,936,894.00	209,000,707.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	14,775,565.00	14,865,794.00
Fixed deposit with the term of over 3 months	21,097,760.00	317,116,506.00
Cash for investment		3,700,000.00
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	35,873,325.00	335,682,300.00
Net cash flow from investing activities	159,063,569.00	-126,681,593.00
3. Cash flow from financing activities		
Cash received from acquiring investment		
Including: cash received from acquiring minority shareholders investment by branch		
Cash received from acquiring loans		
Other cash received related to financing activities		
Subtotal cash flows of financing activities		
Cash paid to pay debts		

Cash paid to distribute dividend, profit or pay interest		
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities		
Net cash flow from financing activities		
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	132,072,215.00	243,940,775.00
Add: balance at the beginning of the period of cash and cash equivalents	197,150,989.00	425,084,049.00
6. Balance at the end of the period of cash and cash equivalents	329,223,204.00	669,024,824.00

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

2. Audit report

Whether the 1st quarter report has been audited.

☐ Yes ☒ No

The 1st quarter report has not been audited.

Yantai Changyu Pioneer Wine Co. Ltd.

Board of Directors

25th April 2014