Stock code: 000596, 200596 Stock name: Gujing Distillery, Gujing Distillery B Announcement No.: 2016-024

Anhui Gujing Distillery Company Limited
Abstract of Semi-annual Report 2016

1. Important notes

The Abstract is based on the full text of the semi-annual report. For more details, investors are suggested to read the full text disclosed at the same time with the Abstract on http://www.cninfo.com.cn, the website of the Shenzhen Stock Exchange or any other websites designated by the CSRC.

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

Corporate profile

Stock name	Gujing Distillery, Gujing Distillery B	Stock code	000596, 200596
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Ye Changqing	Ma Junwei	
Tel.	（0558）5712231	（0558）5710057	
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2. Financial highlights and shareholder changes

(1) Financial highlights

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

□ Yes √ No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	3,045,034,706.73	2,713,042,828.92	12.24%
Net profit attributable to shareholders of the Company (RMB)	431,055,462.62	380,504,804.17	13.29%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB)	423,236,352.49	368,258,604.21	14.93%
Net cash flows from operating activities (RMB)	326,112,612.99	336,217,657.83	-3.01%
Basic earnings per share (RMB/share)	0.86	0.76	13.16%
Diluted earnings per share (RMB/share)	0.86	0.76	13.16%
Weighted average return on equity (%)	8.54%	8.75%	-0.21%
	As at the end of the Reporting Period	As at the end of last year	+/- (%)
Total assets (RMB)	8,762,569,335.47	7,183,147,641.13	21.99%
Net assets attributable to shareholders of the Company (RMB)	5,196,297,183.36	4,833,721,630.08	7.50%

(2) Shareholdings of the top 10 ordinary shareholders

Unit: share

Total number of ordinary	19,231

shareholders at the end of the Reporting Period						
Shareholdings of the top 10 ordinary shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of ordinary shares held	Number of restricted ordinary shares held	Pledged or frozen shares	
					Status	Number
ANHUI GUJING GROUP COMPANY LIMITED	State-owned corporation	53.89%	271,404,022		Pledged	114,000,000
GAOLING FUND,L.P.	Foreign corporation	2.47%	12,446,408			
NORGES BANK	Foreign corporation	2.43%	12,217,246			
UBS (LUXEMBOURG) S.A.	Foreign corporation	2.41%	12,150,199			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	1.71%	8,627,598			
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	State-owned corporation	1.30%	6,543,600			
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign corporation	1.13%	5,684,059			
CHINA CONSTRUCTION BANK CORPORATION — E-FUND NEW SILK ROAD FLEXIBLE CONFIGURATION HYBRID SECURITIES INVESTMENT FUNDS	Other	0.79%	4,000,000			
GOLDEN CHINA MASTER FUND	Foreign corporation	0.75%	3,786,434			
3W GREATER CHINA FOCUS FUND	Foreign corporation	0.70%	3,529,479			
Related or act-in-concert parties among the shareholders above		Among the shareholders above, the Company's controlling shareholder—Anhui Gujing Group Company Limited—is not a related party of other shareholders; nor are they parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies. As for the other shareholders, the Company does not know whether they are related parties or whether they belong to parties acting in concert as defined in the Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies.				

Shareholders conducting securities margin trading (if any)	N/A

(3) Shareholdings of the top 10 preference shareholders

□ Applicable √ Not applicable
No such cases in the Reporting Period.

(4) Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the Reporting Period
□ Applicable √ Not applicable
No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period
□ Applicable √ Not applicable
No such cases in the Reporting Period.

3. Discussion and analysis by the management

2016 has continued to see obvious downward pressure on China's economy, with complexity and volatility in the environment at home and abroad. Despite signs of recovery in the distilled spirits industry, which had been in hibernation, the industry as a whole is still going through deep change with continuous pressure.
Under the common efforts of the Board and all the other staff, for the six months from January to June 2016, we achieved operating revenues of RMB3.045 billion, up 12.24% year on year; and net profit of RMB431 million, representing a year-on-year growth of 13.29%. As such, the operating goals that we had set for the first half of 2016 at the beginning of the year were all accomplished. To achieve that, we took the following main measures in the reporting period: ① following a strategy of "from the high-end market to other markets, from the international market to the domestic market" to extend our brand influence; ② optimizing our market competitive strategy through pushing forward the campaign to bring our products to more channels, stores and consumers as well as through expanding our marketing channels to low-tier cities; ③ further improving our brewing technique to increase our product quality; ④ pushing forward market internalization, reforming our management methods and optimizing our human resource; and ⑤ accelerating automation, informatization and intelligentization through the "5.0" strategy.

4. Matters related to financial reporting

(1) Explain any changes in the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year

□ Applicable √ Not applicable
No such cases in the Reporting Period.

(2) Explain any retroactive restatements due to correction of significant accounting errors in the Reporting Period

□ Applicable √ Not applicable
No such cases in the Reporting Period.

(3) Explain any changes in the consolidation scope as compared with the financial reporting of last year

√ Applicable □ Not applicable

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Bozhou gujinggong Marketing Co. Ltd.	Bozhou, Anhui	Bozhou, Anhui	Business trading		100.00	Investment
Wuhan Pride Yellow Crane Tower Distillery Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Production	51.00		Business combination not under the same control

(4) Explanation of the Board of Directors and the Board of Supervisors concerning the "non-standard" auditor's report issued by the CPAs firm for the Reporting Period

□ Applicable √ Not applicable