



Yantai Changyu Pioneer Wine Co. Ltd.

2017 the First Quarter Report

2017-Final 02

April 2017

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.

All directors attended the meeting for deliberating this quarter report.

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 quarter report.

II、 Corporate Information

1. Key accounting data and financial indicators

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)	1,896,586,469	1,882,230,620	0.76%
Net profit attributed to the shareholders of the listed company (CNY)	516,634,494	542,806,719	-4.82%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	512,684,945	538,762,161	-4.84%
Net cash flows from the operating activities (CNY)	384,358,508	605,256,456	-36.50%
Basic earnings per share (CNY)	0.75	0.79	-5.06%
Diluted earnings per share (CNY)	0.75	0.79	-5.06%
Weighted average for earning rate of the net assets	6.10%	6.93%	-0.83%
	The end of the report period	The end of last year	More or less than last year (%)
Total assets (CNY)	11,857,812,108	11,528,077,971	2.86%
Net Assets attributed to the shareholders of the listed company (CNY)	8,727,017,524	8,209,010,989	6.31%

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	-21,933	
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)	3,725,036	
Other non-operating income and expenses	1,246,917	

Less: Income tax effect	1,000,471	
Total	3,949,549	--

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

There is no situation regarding the non-recurring profit and loss as defined and specified in the Explanatory Announcement on Public Company's Information Disclosure No.1 - Non-recurring Profit and Loss as recurrent profit and loss.

2. The total number of shareholders and top 10 shareholders at the end of the report period

1) The number of the common shareholders and preferred shareholders with recovered voting power as well as the shareholding of top 10 shareholders

Unit: share

Total number of common shareholders at the end of report period	42,254	Total number of preferred shareholders with recovered voting power at the end of report period	0			
The top 10 common shareholders						
Name of Shareholders	Character of shareholders	Percentage (%)	Shares held	Number of restricted shares	Pledged or frozen	
					Share status	Amount
YANTAI CHANGYU GROUP COMPANY LIMITED	Domestic non-state-owned legal person	50.40%	345,473,856			
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.32%	15,924,155			
GAOLING FUND,L.P.	Foreign legal person	3.11%	21,300,919			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826			
TIANAN PROPERTY INSURANCE CO., LTD—BAOYING NO.1	Domestic non-state-owned legal person	1.24%	8,519,160			
NORGES BANK	Foreign legal person	0.90%	6,147,993			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.76%	5,208,208			
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200			
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC	Foreign legal person	0.60%	4,115,481			

OPPORTUNITIES FUND					
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND MASTER FUND	Foreign legal person	0.55%	3,788,487		
The top 10 common shareholders with unrestricted shares					
Name of Shareholders	Number of unrestricted shares held	Type of share			
		Type of share	Amount		
YANTAI CHANGYU GROUP COMPANY LIMITED	345,473,856	A share	345,473,856		
CHINA SECURITIES FINANCE CORP	15,924,155	A share	15,924,155		
GAOLING FUND,L.P.	21,300,919	B share	21,300,919		
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826		
TIANAN PROPERTY INSURANCE CO., LTD—BAOYING NO.1	8,519,160	A share	8,519,160		
NORGES BANK	6,147,993	B share	6,147,993		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,208,208	B share	5,208,208		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200		
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	4,115,481	B share	4,115,481		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND MASTER FUND	3,788,487	B share	3,788,487		
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 top 10 common shareholders who involved in financing activities and stock trading business(if any)	No				

Whether or not the Company's top 10 common shareholders and top 10 common shareholders with unrestricted shares promise to buy back trading during the report period

Yes No

There are no top 10 common shareholders and top 10 common shareholders with unrestricted shares in the Company promise to buy back trading during the report period.

2) The total number of the preferred shareholders and top 10 preferred shareholders at the end of the report period

Available Not available

III Major Issue

1. Great changes and reasons on main accountant data and financial index

Available Not available

Compared the end of the report period with the beginning of the report period: notes receivable increases by 128.57%, mainly due to the growth on bank acceptances; accounts receivable increases by 14%, mainly due to the expansion of Company's direct-selling business and increase of clients' sales amount on credit; advance payment increases by 74.05%, mainly due to the growth of advances payment for raw material procurement; other current assets increases by 46.86%, mainly due to the growth of pending deduction of VAT input tax; inventory decreases by 17.09%, mainly due that the sales of products result in the reduce of inventory and materials; notes payable decreases by 69.15%, mainly due that the notes payable amount is paid during the report period; accounts payable decreases by 36.52%, mainly because accounts payable amount is paid during the report period; other accounts payable increases by 20.87%, mainly due to the growth of marketing expenses such as advertising fee payable.

Compared with the same period of last year: the net amount of other comprehensive income after-tax increases by 85.30%, the net amount of other comprehensive income after-tax attributable to owner of the parent company and other comprehensive income that will be reclassified into profit and loss later increase by 87.16%, mainly due to the growth of foreign currency financial statement converting balance of the Company's subordinate overseas enterprises; net amount of cash flows generated in operating activities decreases by 36.50%, mainly because of decline of received cash from production sales and rendering of service, as well as the growth of cash payment for various taxes; subtotal cash inflow in investment activities decreases by 51.13%, mainly due to the reduction of regaining of the fixed deposit whose duration is more than three-month; cash received from debts decreases by 86.98%, mainly due to the decline of bank loan; subtotal of cash outflow in capital-raising activities reduces by 76.37%, mainly due to the decrease in the cash paid for debt repayment; net amount of cash flow generated in capital-raising activities decreases by 90.95%, mainly due to the decline of bank loan; net increase of cash and cash equivalents reduces by 63.10%, mainly because of declines of received cash from production sales, rendering of service and bank loan.

2. Analysis explanation of the major issue's process, its influence and the solution

Available Not available

3. The commitments that the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties do not implement completely exceeding the time limit within report period

available not available

Commitments	Commitment Party	Commitment Type	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	Solve horizontal competition	Non-horizontal competition	1997.05.18	Permanent	Has been performing
	Yantai Changyu Group Co., Ltd	Clear the purpose of brand royalty	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.	1997.05.18	Permanent	Has been performing
Equity incentive commitments						
Commitments made to the minority shareholders of the Company	-		-		-	-
Commitment under timely implementation or not	Yes					
For commitments that exceed the time limit and are not completed, specific reasons of not completing the implementation and the next step						No

4. Forecast on the operating performance in the period from January to June of 2017

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.

Available Not available

5. The situation of security investment

Available Not available

There is no security investment during the report period.

6. The situation of derivative investment

Available Not available

There is no derivative investment during the report period.

7. The activities registration form of receptions, communication and interview etc. during the report period

Available Not available

There are no activities of receptions, communication and interview etc. during the report period.

8. The situation of illegal external guarantee

Available Not available

There is no illegal external guarantee during the report period.

9. The situation of non-operating fund occupation of controlling shareholders and related parties

Available Not available

There is no non-operating fund occupation of controlling shareholders and related parties during the report period.

IV Financial Statements

1. Financial statements

1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

ITEM	At 31 March 2017	At 31 December 2016
Current assets:		
Monetary fund	1,632,676,308	1,391,517,607
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	481,064,037	210,470,027
Account receivable	197,296,359	173,062,628
Advance money	3,786,732	2,175,606
Interest receivable	0	24,200
Dividend receivable		
Other account receivable	16,348,542	18,880,800
Inventories	1,864,341,209	2,248,609,740
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		
Other current assets	248,952,482	169,522,242
Total current assets	4,446,465,866	4,216,263,047
Non-current assets:		
Financial assets for sale	348,270	340,263
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment		
Fixed assets	4,648,604,785	4,683,187,493
Construction in progress	1,517,900,866	1,346,281,737
Project material	0	0
Liquidation of fixed assets	0	0
Biological assets for production	205,637,694	201,428,980
Oil and gas assets		
Intangible assets	479,979,318	483,815,080
Development expenditure		
Goodwill	121,265,866	121,265,866
Long-term deferred expenses	151,936,811	162,206,229
Assets of deferred income tax	268,201,057	295,937,037

Other non-current assets	17,471,575	17,352,239
Total non-current assets	7,411,346,242	7,311,814,924
Total assets	11,857,812,108	11,528,077,971
Current liabilities:		
Short-term loan	662,801,477	662,388,882
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable	12,000,000	38,900,000
Accounts payable	346,103,278	545,231,319
Advance money	376,769,534	425,246,421
Wage payable	166,566,373	206,431,734
Tax payable	124,611,054	144,042,600
Interest payable	566,307	563,613
Dividend payable		
Other accounts payable	660,333,659	546,305,310
Liabilities held for sale		
Non-current liabilities due within one year	66,680,673	71,799,093
Other current liabilities	11,163,883	11,163,883
Total current liabilities	2,427,596,238	2,652,072,855
Non-current liabilities:		
Long-term loan	89,616,540	49,140,555
Bond payable		
Including: Preferred stock		
Perpetual capital securities		
Long-term accounts payable	293,000,000	293,000,000
Long-term wages payable		
Special accounts payable		
Deferred income	99,132,457	101,775,243
Liabilities of deferred income tax	23,379,303	24,908,410
Other non-current liabilities	7,696,222	7,696,222
Total non-current liabilities	512,824,522	476,520,430
Total liabilities	2,940,420,760	3,128,593,285
Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	565,955,441	565,955,441
Less: Inventory shares		
Other comprehensive Income	-3,886,973	-5,259,014
Reasonable reserve		

Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	7,136,753,056	6,620,118,562
Total owner's equity attributable to parent Company	8,727,017,524	8,209,010,989
Minority interests	190,373,824	190,473,697
Total owner's equity	8,917,391,348	8,399,484,686
Total liabilities and owner's equity	11,857,812,108	11,528,077,971

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

Unit: CNY

Item	At 31 March 2017	At 31 December 2016
Current assets:		
Monetary fund	560,162,806	269,460,060
Financial assets which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes receivable	118,106,029	1,114,200
Account receivable	3,428,541	3,326,683
Advance money	1,974,645	702,647
Interest receivable	0	24,200
Dividend receivable	404,788,001	531,819,113
Other account receivable	3,711,085,879	3,582,532,862
Inventories	393,037,603	792,732,418
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		
Other current assets	27,178,088	20,085,058
Total current assets	5,221,761,789	5,203,797,438
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,834,341,541	1,834,341,541
Real estate for investment	0	0
fixed assets	338,840,340	347,481,417
Construction in progress	2,075,003	500,000
Project material	0	0
Liquidation of fixed assets	0	0
Biological assets for production	122,216,622	123,036,693
Oil and gas assets	0	0
Intangible assets	71,407,584	72,002,372

Development expenditure	0	0
Goodwill	0	0
Long-term deferred expenses	0	0
Assets of deferred income tax	17,878,166	26,985,252
Other non-current assets	2,731,906,376	2,617,457,460
Total non-current assets	5,118,665,632	5,021,804,735
Total assets	10,340,427,421	10,225,602,173
Current liabilities:		
Short-term loan	500,000,000	500,000,000
Financial liabilities which are measured by fair value and which changes are recorded in current profit and loss		
Derivative financial liability		
Notes payable		
Accounts payable	104,412,844	247,568,857
Advance money	6,000,000	6,000,000
Wage payable	56,258,526	70,812,761
Tax payable	15,554,981	33,266,225
Interest payable	566,307	563,613
Dividend payable	0	0
Other accounts payable	622,025,608	368,310,362
Liabilities held for sale	0	0
Non-current liabilities due within one year	29,488,400	29,227,200
Other current liabilities	1,767,053	1,767,054
Total current liabilities	1,336,073,719	1,257,516,072
Non-current liabilities:		
Long-term loan		-
Bond payable		
Including: Preferred stock		
Perpetual capital securities		
Long-term accounts payable		
Long-term wages payable		
Special accounts payable		
Deferred income	19,428,754	19,933,699
Liabilities of deferred income tax		
Other non-current liabilities	2,499,403	2,499,403
Total non-current liabilities	21,928,157	22,433,102
Total liabilities	1,358,001,876	1,279,949,174
Shareholder rights and interests:		
Share capital	685,464,000	685,464,000
Other equity instrument	0	0
Including: Preferred stock	0	0
Perpetual capital securities	0	0

Capital public reserve	557,222,454	557,222,454
Less: Inventory shares	0	0
Other comprehensive Income	0	0
Reasonable reserve	0	0
Surplus reserve	342,732,000	342,732,000
Retained profit	7,397,007,091	7,360,234,545
Total owner's equity	8,982,425,545	8,945,652,999
Total liabilities and owner's equity	10,340,427,421	10,225,602,173

3) Consolidated profit statement

Unit: CNY

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I. Total Operating Revenue	1,896,586,469	1,882,230,620
Incl: Operating Revenue	1,896,586,469	1,882,230,620
II. Total Operating Cost	1,211,081,443	1,167,560,487
Incl: Operating Cost	636,501,146	605,388,600
Tax and levies on operations	110,070,692	97,663,734
Selling expenses	390,557,653	390,313,786
Administrative expenses	68,123,359	69,048,398
Finance expenses	5,828,593	5,145,969
Impairment losses of Assets	-	-
Add: Gains on increase in fair value of assets	-	-
Investment income	-	-
Incl. Investment income from affiliates	-	-
III. Operating profit	685,505,026	714,670,133
Add: Non-operating income	5,021,623	5,214,481
Including: Disposal earnings of non-current asset	2,585	94,567
Less: Non-operating expenses	71,603	158,857
Incl. Losses from disposal of non-current assets	24,517	21,839
IV. Total Profit before Taxation	690,455,046	719,725,757
Less: Income tax	174,172,291	176,813,048
V. Net profit after Taxation	516,282,755	542,912,709
Net profit attributable to Parent company	516,634,494	542,806,719
Net profit attributable to Minority interest	-351,739	105,990
VI. Net after-tax of other comprehensive income	1,623,907.00	11,045,624.00
Net after-tax of other comprehensive income attributable to owners of parent company	1,372,041.00	10,681,557.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss	-	-
1. Changes as a result of re-measurement of net defined benefit plan liability or asset	-	-
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss	-	-

(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	1,372,041.00	10,681,557.00
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	-	-
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-	-
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets	-	-
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments	-	-
5. Translation differences arising on translation of foreign currency financial statements	1,372,041	10,681,557
6. Other	-	-
Net after-tax of other comprehensive income attributable to minority shareholders	251,866	364,067
VII. Total comprehensive income	517,906,662	553,958,333
Total comprehensive income attributable to owners of parent Company	518,006,535	553,488,276
Total comprehensive income attributable to minority shareholders	-99,873.00	470,057.00
VIII. Earnings per share:		
(i) Basic earnings per share	0.75	0.79
(ii) Diluted earnings per share	0.75	0.79

During this report period, the issue relates to company consolidation under common control, consolidated party completes net profit amount of CNY 0 before being consolidated, and consolidated party completes net profit amount of CNY 0 in the same period of last year.

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

Unit: CNY

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I.Sales Revenue	698,458,930	429,102,315
less: Cost of sales	611,883,847	323,773,053
Tax and levies on operations	45,787,579	47,351,215
Selling and distribution expenses		
General and administrative expenses	20,418,872	39,984,821
Finance expenses	4,922,061	6,317,441
Impairment losses of Assets	-	-
Add: Gains on increase in fair value of assets	-	-
Investment income	24,861,144	506,737,526
Incl. Investment income from affiliates	-	-
II.Operating profit	40,307,715	518,413,311
Add: Non-operating income	466,924	562,752
Including: Disposal earnings of non-current	-	94,567

asset		
Less: Non-operating expenses	31,626	36,839
Incl. Losses from disposal of non-current assets	11,641	21,839
III.Total Profit before Taxation	40,743,013	518,939,224
Less: Income tax	3,970,467	3,050,424
IV.Net profit after Taxation	36,772,546	515,888,800
V. Net after-tax of other comprehensive income	-	
Net after-tax of other comprehensive income attributable to owners of parent company	-	
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss	-	
1. Changes as a result of re-measurement of net defined benefit plan liability or asset	-	
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss	-	
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-	
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	-	
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-	
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets	-	
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments	-	
5. Translation differences arising on translation of foreign currency financial statements	-	
6. Other	-	
VI. Total comprehensive income	36,772,546	515,888,800
VII. Earnings per share:		
(i) Basic earnings per share	0.05	0.75
(ii) Diluted earnings per share	0.05	0.75

Legal representative: Sun Liqiang

Person in charge of accounting : Leng Bin

Person in charge of accounting organ: Jiang Jianxun

5) Consolidated cash flow statement

Unit: CNY

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,653,469,554	1,852,141,728
Tax refund received		1,092,133
Other cash received related to operating activities	35,857,955	5,343,373
Subtotal of cash flows of operating activities	1,689,327,509	1,858,577,234
Cash paid for goods and services	424,736,589	444,239,863
Cash paid to and on behalf of employees	137,940,254	127,947,911
Cash paid for various taxes	564,277,054	482,676,851
Other cash paid related to operating activities	178,015,104	198,456,153
Sub-total of cash outflows of operating activities	1,304,969,001	1,253,320,778
Net cash flow from operating activities	384,358,508	605,256,456
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	3,000,000	6,000,000
Cash received from obtaining investment profit		
Cash received from interest income	25,550	21,433
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30,300	231,240
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	3,055,850	6,252,673
Cash paid to acquire fixed assets, intangible assets and other long-term assets	142,789,698	172,593,131
Fixed deposit with the term of over 3 months	5,000,000	7,007,000
Cash for investment		
Net cash paid to acquire branch and other business unit		760,824
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	147,789,698	180,360,955
Net cash flow from investing activities	-144,733,848	-174,108,282
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	51,803,310	397,881,779
Other cash received related to financing activities		
Subtotal cash flows of financing activities	51,803,310	397,881,779
Cash paid to pay debts	18,643,560	101,108,029
Cash paid to distribute dividend, profit or pay interest	6,949,153	7,186,699
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	25,592,713	108,294,728
Net cash flow from financing activities	26,210,597	289,587,051
4. Influences of exchange rate fluctuation on cash and cash equivalents	197,614	252,077
5. Net Increase in cash and cash equivalents	266,032,871	720,987,302
Add: balance at the beginning of the period of cash and cash equivalents	1,256,942,304	1,092,241,661

6. Balance at the end of the period of cash and cash equivalents	1,522,975,175	1,813,228,963
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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

Unit: CNY

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	422,763,453	429,685,962
Tax refund received		
Other cash received related to operating activities	198,360,050	160,725
Subtotal of cash flows of operating activities	621,123,503	429,846,687
Cash paid for goods and services	163,847,294	183,441,735
Cash paid to and on behalf of employees	33,712,684	44,615,485
Cash paid for various taxes	145,925,056	61,696,240
Other cash paid related to operating activities	17,540,294	1,025,733,883
Sub-total of cash outflows of operating activities	361,025,328	1,315,487,343
Net cash flow from operating activities	260,098,175	-885,640,656
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	3,000,000	6,000,000
Cash received from obtaining investment profit	92,701,945	1,097,942,213
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		231,240
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	95,701,945	1,104,173,453
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,875,090	10,535,307
Fixed deposit with the term of over 3 months	5,000,000	7,007,000
Cash for investment	55,192,710	
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	62,067,800	17,542,307
Net cash flow from investing activities	33,634,145	1,086,631,146
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		100,000,000
Other cash received related to financing activities		
Subtotal cash flows of financing activities		100,000,000
Cash paid to pay debts		100,000,000
Cash paid to distribute dividend, profit or pay interest	5,055,403	6,857,499
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	5,055,403	106,857,499
Net cash flow from financing activities	-5,055,403	-6,857,499
4. Influences of exchange rate fluctuation on cash and cash		

equivalents		
5. Net Increase in cash and cash equivalents	288,676,917	194,132,991
Add: balance at the beginning of the period of cash and cash equivalents	238,003,198	143,798,080
6. Balance at the end of the period of cash and cash equivalents	526,680,115	337,931,071

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 first quarter report has not been audited.

Yantai Changyu Pioneer Wine Co. Ltd.
Board of Directors
28th April 2017