Yantai Changyu Pioneer Wine Co. Ltd.

2017 Third Quarter Report

2017-Final 04

October, 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 annual report.

II、Key financial data and shareholders changing

1. Key financial data

Whether the Company needs to make retroactive adjustments or restates the accounting data of previous fiscal years

☐Yes ☑No

	The end of the report period	The end of last year	More or less than last year(%)
Total assets (CNY)	12,096,803,825	11,528,077,971	4.93%
Net Assets attributed to the shareholders of the listed company (CNY)	8,690,391,034	8,209,010,989	5.86%

	The report period	More or less than last year	From the beginning of year to the end of the report period	More or less than last year
Business income (CNY)	1,030,899,920	2%	3,797,998,117	0.91%
Net profit attributed to the shareholders of the listed company (CNY)	146,115,408	12.61%	816,184,462	-1.04%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	138,825,432	12.86%	790,473,838	-1.37%
Net cash flows from the operating activities (CNY)	--	--	806,627,830	-18.61%
Basic earnings per share (CNY)	0.21	10.53%	1.19	-0.83%
Diluted earnings per share (CNY)	0.21	10.53%	1.19	-0.83%
Weighted average for earning rate of the net assets	1.68%	0.08%	9.56%	-0.03%

Item and amount of irregular profit and loss

☑Available ☐Not available

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	-773,087	
Tax return, deduction and exemption with unauthorized approval or no official document of approval	17,764,950	
Government subsidies recorded in current profit and loss (except the government subsidies that closely related to enterprise business and enjoyed by rationing or quantifying according to uniform Nation Standard	12,044,794	
Other non-operating income and expenses	4,722,476	
Less: Income tax effect	8,048,509	
Total	25,710,624	--

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	48,049	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	0		0
GAOLING FUND,L.P.	Foreign legal person	3.11%	21,300,919	0		0
CHINA SECURITIES FINANCE CORP	State-owned legal person	2.32%	15,924,155	0		0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	2.22%	15,241,826	0		0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.95%	6,531,520	0		0
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	Foreign legal person	0.88%	6,000,851	0		0
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	0.69%	4,761,200	0		0
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.55%	3,788,487	0		0
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign legal person	0.55%	3,779,202	0		0

NORGES BANK	Foreign legal person	0.52%	3,558,797	0		0

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
GAOLING FUND,L.P.	21,300,919	B share	21,300,919
CHINA SECURITIES FINANCE CORP	15,924,155	A share	15,924,155
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	15,241,826	B share	15,241,826
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	6,531,520	B share	6,531,520
FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	6,000,851	B share	6,000,851
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	4,761,200	A share	4,761,200
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,788,487	B share	3,788,487
FIDELITY CHINA SPECIAL SITUATIONS PLC	3,779,202	B share	3,779,202
NORGES BANK	3,558,797	B share	3,558,797
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. The great change and reasons on key financial data and financial index

☑Available ☐Not available

Compared the end of the report period with the beginning of the year, interest receivable increased by 1255.85%, mainly due to increase in interest receivable of bank deposit; account receivable increased by 30.46%, mainly due to increase in goods payment receivable owed by clients; other account receivable increased by 72.39%, mainly due to increase in account receivable of VAT refund; other current assets increased by 80.17%, mainly due to increase in VAT to be deducted; construction in process increased by 24.28%, mainly due to increase in accumulated investment amount of the Company's investment projects under construction; intangible assets increased by 28.68%, mainly owing that acquired Indomita Wine Company Chile, SpA was included in the consolidated statement; deposit received decreased by 41.57%, mainly due to decrease in client payment for goods; other payables increased by 34.88%, mainly due to increase in payable advertising expense; long-term loan increased by 248.73%, mainly due to increase in long-term loan obtained from the bank.

Compared from January to September of 2017 with the same period last year, non-business income decreased by 82.98%, mainly owing that government subsidy was adjusted from non-business income to other income according to new accounting standard; non-operating expenditures increased by 82.43%, mainly due to loss from disposing non-current assets; translation differences arising on translation of foreign currency financial statements increased by 947.96%, mainly due to influence of foreign currency upvaluation when statement of overseas enterprise was converted to CNY statement; tax refund received in the cash flow statement increased by 215.29%, mainly due to increase in VAT refunds received by Indomita Wine Company Chile, SpA; other cash received related to operating activities increased by 53.79%, mainly due to increase in government subsidy; net cash paid to acquire branch and other business unit increased by 40372.19%, mainly due to payment of investment amount for the acquisition of Indomita Wine Company Chile, SpA.

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 or other commitment parties do not complete up performing during the 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 performed
	Yantai Changyu Group Co., Ltd	Defining the uses of trademark use fee	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 performed
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 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 reception investigation, communication and interview etc. during the report period

☐Available ☑Not available

There are no activities of reception investigation, 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.

10. The situation of carrying out social responsibility of precise poverty

There is no carried out precise poverty and no plan for subsequent precise poverty during the third quarter report period.

Ⅳ Financial Statements

1.、Financial statements

1)、Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd. 2017.09.30 Unit: CNY

Assets	At 30 September 2017	At 31 December 2016
Current assets：		
Monetary fund	1,392,937,947	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	230,591,154	210,470,027
Account receivable	225,773,801	173,062,628
Advance money	2,488,381	2,175,606
Interest receivable	328,116	24,200
Dividend receivable		
Other account receivable	32,548,649	18,880,800
Inventories	2,125,888,282	2,248,609,740
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		
Other current assets	305,435,090	169,522,242
Total current assets	4,317,991,617	4,216,263,047
Non-current assets：		
Financial assets for sale	469,398	340,263
Investment held to expiration		
Long-term account receivable		
Long-term equity investment		
Real estate for investment		
Fixed assets	4,708,631,879	4,683,187,493
Construction in progress	1,673,108,810	1,346,281,737
Project material		
Liquidation of fixed assets		
Biological assets for production	195,565,320	201,428,980
Oil and gas assets		

Intangible assets	622,588,201	483,815,080
Development expenditure		
Goodwill	127,874,558	121,265,866
Long-term deferred expenses	154,900,467	162,206,229
Assets of deferred income tax	277,963,327	295,937,037
Other non-current assets	17,710,248	17,352,239
Total non-current assets	7,778,812,208	7,311,814,924
Total assets	12,096,803,825	11,528,077,971
Current liabilities:		
Short-term loan	805,442,640	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	0	38,900,000
Accounts payable	435,417,099	545,231,319
Advance money	248,484,214	425,246,421
Wage payable	164,172,174	206,431,734
Tax payable	91,997,181	144,042,600
Interest payable	0	563,613
dividend payable	703,430	
Other accounts payable	736,871,609	546,305,310
Liabilities held for sale		
Non-current liabilities due within one year	101,017,445	71,799,093
Other current liabilities	9,876,053	11,163,883
Total current liabilities	2,593,981,845	2,652,072,855
Non-current liabilities：		
Long-term loan	171,369,837	49,140,555
Bond payable		
Including: preferred stock		
Perpetual capital securities		
Long-term accounts payable	269,000,000	293,000,000
Long-term wages payable		
Special accounts payable		
Deferred income	95,528,608	101,775,243
Liabilities of deferred income tax	27,945,572	24,908,410
Other non-current liabilities	7,696,222	7,696,222
Total non-current liabilities	571,540,239	476,520,430
Total liabilities	3,165,522,084	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	2,668,569	-5,259,014
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	7,093,571,024	6,620,118,562
Total owner's equity attributable to parent Company	8,690,391,034	8,209,010,989
Minority interests	240,890,707	190,473,697
Total owner's equity	8,931,281,741	8,399,484,686
Total liabilities and owner's equity	12,096,803,825	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

Yantai Changyu Pioneer Wine Co. Ltd. Unit: CNY

Assets	At 30 September 2017	At 31 December 2016
Current assets：		
Monetary fund	672,504,625	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	63,576,251	1,114,200
Account receivable	20,600	3,326,683
Advance money	512,509	702,647
Interest receivable	51,729	24,200
Dividend receivable	0	531,819,113
Other account receivable	1,673,455,504	3,582,532,862
Inventories	419,720,952	792,732,418
Assets held for sale	2,000,197	2,000,197
Non-current assets due within one year		

Other current assets	45,583,557	20,085,058
Total current assets	2,877,425,924	5,203,797,438
Non-current assets：		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	3,992,587,403	1,834,341,541
Real estate for investment		
Fixed assets	313,052,710	347,481,417
Construction in progress	3,671,854	500,000
Project material		
Liquidation of fixed assets		
Biological assets for production	119,514,617	123,036,693
Oil and gas assets		
Intangible assets	70,218,008	72,002,372
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	23,352,058	26,985,252
Other non-current assets	2,788,906,444	2,617,457,460
Total non-current assets	7,311,303,094	5,021,804,735
Total assets	10,188,729,018	10,225,602,173
Current liabilities:		
Short-term loan	600,000,000	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	48,336,496	247,568,857
Advance money	6,000,000	6,000,000
Wage payable	55,790,653	70,812,761
Tax payable	18,560,070	33,266,225
Interest payable	0	563,613
dividend payable		
Other accounts payable	552,146,620	368,310,362
Liabilities held for sale		
Non-current liabilities due within one year	0	29,227,200
Other current liabilities	1,767,054	1,767,054

Total current liabilities	1,282,600,893	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	18,202,137	19,933,699
Liabilities of deferred income tax		
Other non-current liabilities	2,499,403	2,499,403
Total non-current liabilities	20,701,540	22,433,102
Total liabilities	1,303,302,433	1,279,949,174
Shareholder rights and interests：		
Share capital	685,464,000	685,464,000
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	557,222,454	557,222,454
Less: Inventory shares		
Other comprehensive Income		
Reasonable reserve		
Surplus reserve	342,732,000	342,732,000
Provision of general risk		
Retained profit	7,300,008,131	7,360,234,545
Total owner's equity	8,885,426,585	8,945,652,999
Total liabilities and owner's equity	10,188,729,018	10,225,602,173

3)、Consolidated profit statement during the report period

Unit: CNY

Item	Nine months ended 30 Sep 2017	Nine months ended 30 Sep 2016
1. Total business income	1,030,899,920	1,010,732,839
Including : Business income	1,030,899,920	1,010,732,839
2. Total business cost	849,810,998	844,198,855
Including：Business cost	329,547,531	333,864,479

Tax and associate charges	55,781,211	61,035,668
Sales expenses	387,624,972	375,213,789
Management expenses	70,339,152	63,948,763
Financial expenses	7,139,053	10,136,156
Assets depreciation loss	-620,921	
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		
Other income	29,809,744	
3. Operating profit (loss is listed with "-")	210,898,666	166,533,984
Add: Non-operating income	-18,028,219	9,067,280
Including: Disposal earnings of non-current asset	52,850	
Less: non-operating expenditures	488,358	383,399
Including: non-current assets disposing loss	330,866	4,598
4. Total profit (loss is listed with "-")	192,382,089	175,217,865
Less: income tax expenses	44,950,415	45,167,011
5. Net profit (net loss is listed with "-")	147,431,674	130,050,854
Net profit of parent company's owners	146,115,408	129,748,790
Minority shareholder profit and loss	1,316,266	302,064
6. Net after-tax of other comprehensive income	7,625,587	-6,479,357
Net after-tax of other comprehensive income attributable to owners of parent company	6,468,774	-5,493,441
(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	6,468,774	-5,493,441
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	6,468,774	-5,493,441
6). Other		

Net after-tax of other comprehensive income attributable to minority shareholders	1,156,813	-985,916
7. Total comprehensive income	155,057,261	123,571,497
Total comprehensive income attributable to owners of parent Company	152,584,182	124,255,349
Total comprehensive income attributable to minority shareholders	2,473,079	-683,852
8. Earnings per share:		
(i) Basic earnings per share	0.21	0.19
(ii) Diluted earnings per share	0.21	0.19

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 during the report period

Unit: CNY

Item	Nine months ended 30 Sep 2017	Nine months ended 30 Sep 2016
1. Business income	216,615,411	294,628,902
Less： Business cost	182,660,783	228,032,632
Tax and associate charges	9,293,101	30,216,123
Sales expenses		
Management expenses	23,343,115	24,357,373
Financial expenses	-6,419,161	11,513,117
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	212,738,266	281,433,572
Including: investment profit for joint-run business and joint venture		
Other income	1,668,380	
2. Operating profit (loss is listed with "-")	222,144,219	281,943,229
Add: non-operating income	-715,895	656,267
Including: Disposal earnings of non-current asset	601	
Less: non-operating expenditures	476,742	294,672
Including: non-current assets disposing loss	458,057	490
3. Total profit (loss is listed with "-")	220,951,582	282,304,824
Less: income tax expenses	1,879,991	217,814
4. Net profit (net loss is listed with "-")	219,071,591	282,087,010
5. Net after-tax of other comprehensive income		

(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		
6. Total comprehensive income	219,071,591	282,087,010
7. Earnings per share:		
(i) Basic earnings per share	0.32	0.41
(ii) Diluted earnings per share	0.32	0.41

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

Unit: CNY

Item	Nine months ended 30 Sep 2017	Nine months ended 30 Sep 2016
1. Total business income	3,797,998,117	3,763,765,638
Including : Business income	3,797,998,117	3,763,765,638
2. Total business cost	2,740,611,614	2,684,436,063
Including：Business cost	1,255,301,664	1,236,598,583
Tax and associate charges	216,255,209	214,117,460
Sales expenses	1,056,360,698	1,025,951,023
Management expenses	200,881,538	186,644,608
Financial expenses	18,287,002	21,124,389
Assets depreciation loss	-6,474,497	0
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		
Other Income	29,809,744	
3. Operating profit (loss is listed with "-")	1,087,196,247	1,079,329,575
Add: Non-operating income	5,275,986	31,000,806
Including: Disposal earnings of non-current asset	209,450	94,567
Less: non-operating expenditures	1,326,597	727,175
Including: non-current assets disposing loss	982,537	114,650
4. Total profit (loss is listed with "-")	1,091,145,636	1,109,603,206
Less: income tax expenses	273,703,205	283,882,492
5. Net profit (net loss is listed with "-")	817,442,431	825,720,714
Net profit of parent company's owners	816,184,462	824,770,637
Minority shareholder profit and loss	1,257,969	950,077
6. Net after-tax of other comprehensive income	9,393,328	222,397
Net after-tax of other comprehensive income attributable to owners of parent company	7,927,583	756,478
(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	7,927,583	756,478
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	7,927,583	756,478
6). Other		
Net after-tax of other comprehensive income attributable to minority shareholders	1,465,745	-534,081
7. Total comprehensive income	826,835,759	825,943,111
Total comprehensive income attributable to owners of parent Company	824,112,045	825,527,115
Total comprehensive income attributable to minority shareholders	2,723,714	415,996

8. Earnings per share:		
(i) Basic earnings per share	1.19	1.20
(ii) Diluted earnings per share	1.19	1.20

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.

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

Unit: CNY

Item	Nine months ended 30 Sep 2017	Nine months ended 30 Sep 2016
1. Business income	1,048,435,914	949,927,902
Less： Business cost	920,611,161	729,345,231
Tax and associate charges	58,158,891	103,617,979
Sales expenses		
Management expenses	63,421,183	79,384,545
Financial expenses	2,873,808	29,763,533
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	278,866,246	965,325,025
Including: investment profit for joint-run business and joint venture		
Other Income	1,668,380	
2. Operating profit (loss is listed with "-")	283,905,497	973,141,639
Add: non-operating income	418,861	1,797,395
Including: Disposal earnings of non-current asset	133,833	94,567
Less: non-operating expenditures	619,784	331,511
Including: non-current assets disposing loss	580,842	22,328
3. Total profit (loss is listed with "-")	283,704,574	974,607,523
Less: income tax expenses	1,198,988	2,320,625
4. Net profit (net loss is listed with "-")	282,505,586	972,286,898
5. Net after-tax of other comprehensive income		
(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		
6. Total comprehensive income	282,505,586	972,286,898
7. Earnings per share:		
(i) Basic earnings per share	0.41	1.42
(ii) Diluted earnings per share	0.41	1.42

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

Unit: CNY

Item	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Cash flows from operating activities:		
Cash received from sales of goods and rending of services	3,748,429,160	3,719,438,063
Tax refund received	55,504,426	17,604,409
Other cash received related to operating activities	49,871,055	32,427,926
Subtotal of cash flows of operating activities	3,853,804,641	3,769,470,398
Cash paid for goods and services	1,022,363,394	830,439,785
Cash paid to and on behalf of employees	353,314,524	336,707,087
Cash paid for taxes and expenses	1,071,778,605	939,380,988
Other cash paid related to operating activities	599,720,288	671,876,784
Sub-total of cash outflows of operating activities	3,047,176,811	2,778,404,644
Net cash flow from operating activities	806,627,830	991,065,754
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	103,000,000	16,007,000
Cash received from obtaining investment profit	682,550	28,483
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	324,523	258,555
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	104,007,073	16,294,038
Cash paid to acquire fixed assets, intangible assets and other long-term assets	354,737,497	542,967,101
Cash paid to buy fixed deposit with the term of over 3 months	201,000,000	12,021,025
Cash for investment		
Net cash paid to acquire branch and other business unit	308,574,514	762,436
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	864,312,011	555,750,562
Net cash flow from investing activities	-760,304,938	-539,456,524
3. Cash flow from financing activities		
Cash received from acquiring investment	48,396,726	
Including: cash received from acquiring minority shareholders investment by subsidiary	48,396,726	
Cash received from acquiring loans	789,967,950	876,125,040
Other cash received related to financing activities	1,303,473	178,584,375
Subtotal cash flows of financing activities	839,668,149	1,054,709,415
Cash paid to pay debts	591,490,823	818,659,951
Cash paid to distribute dividend, profit or pay interest	369,915,621	369,159,124
Including: dividend and profit paid to minority shareholders by subsidiary		
Other cash paid related to financing activities		20,000,000
Subtotal of cash outflows of financing activities	961,406,444	1,207,819,075
Net cash flow from financing activities	-121,738,295	-153,109,660
4. Influences of exchange rate fluctuation on cash and cash equivalents	2,252,682	7,018,097
5. Net Increase in cash and cash equivalents	-73,162,721	305,517,667
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	1,183,779,583	1,397,759,328

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

Unit: CNY

Item	Nine months ended 30 September 2017	Nine months ended 30 September 2016
1. Cash flows from operating activities:		
Cash received from sales of goods and rending of services	682,267,341	734,992,794
Tax refund received		
Other cash received related to operating activities	282,251,646	558,955
Subtotal of cash flows of operating activities	964,518,987	735,551,749
Cash paid for goods and services	329,643,068	494,981,314

Cash paid to and on behalf of employees	77,242,480	117,230,247
Cash paid for taxes and expenses	176,498,230	110,070,539
Other cash paid related to operating activities	81,894,029	797,564,401
Sub-total of cash outflows of operating activities	665,277,807	1,519,846,501
Net cash flow from operating activities	299,241,180	-784,294,752
2. Cash flow from investing activities:		
Cash received from return of investment		
Withdraw of fixed deposit with the term of over 3 months	103,000,000	16,007,000
Cash received from obtaining investment profit	714,832,479	1,397,454,077
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	317,078	256,440
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	818,149,557	1,413,717,517
Cash paid to acquire fixed assets, intangible assets and other long-term assets	5,101,890	23,384,289
Cash for investment	349,440,824	10,613,970
Cash paid for buying fixed deposit with the term of over 3 months	105,000,000	12,021,025
Net cash paid to acquire branch and other business unit		
Other cash paid related to investment activities		
Subtotal of cash outflows of investment activities	459,542,714	46,019,284
Net cash flow from investing activities	358,606,843	1,367,698,233
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	600,000,000	500,000,000
Other cash received related to financing activities		135,484,375
Subtotal cash flows of financing activities	600,000,000	635,484,375
Cash paid to pay debts	530,339,600	749,640,092
Cash paid to distribute dividend, profit or pay interest	358,704,864	364,379,781
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities		
Subtotal of cash outflows of financing activities	889,044,464	1,114,019,873
Net cash flow from financing activities	-289,044,464	-478,535,498
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	368,803,559	104,867,983
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	606,806,757	248,666,063

2. Audit report

Whether the third quarter report has been audited.

□Yes √No

The third quarter report has not been audited.

Yantai Changyu Pioneer Wine Co. Ltd.

Board of Directors

26th October 2017