



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

**2014 Third Quarter Report**

**2014-Final 03**

**Oct 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 quarter report and confirm that to the best of their knowledge and belief there are no unfaithful facts, significant omissions or misleading statements.**

**All directors have personally attended the Board of Directors' meeting for deliberating the 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、 Key financial data and shareholders changing

### 1. Key accounting data and financial data

Whether the Company makes 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)	8,676,987,100.00	8,001,532,444.00		8.44%
Net Assets attributed to the shareholders of the listed company (CNY)	6,663,123,798.00	6,208,279,705.00		7.33%
Item	The report period	More or less than last year(%)	From the beginning of the year to the end of the report period	More or less than last year(%)
Business income (CNY)	890,560,257.00	10.06%	3,192,550,505.00	-4.66%
Net profit attributed to the shareholders of the listed company (CNY)	160,970,139.00	25.55%	799,011,450.00	-8.03%
Net profit attributed to the shareholders of the listed company after deducting the irregular profit and loss (CNY)	159,460,320.00	27.37%	789,361,175.00	-8.42%
Net cash flows from the operating activities (CNY)	--	--	1,096,794,105.00	66.89%
Basic earnings per share (CNY)	0.23	21.05%	1.17	-7.87%
Diluted earnings per share (CNY)	0.23	21.05%	1.17	-7.87%
Weighted average for earning rate of the net assets	2.40%	0.38%	11.94%	-1.79%

## Details of non-recurring profit and loss

available    not available

Unit: CNY

Item	From beginning of the year to end of report period	Explanation
Gain on disposal of non-current assets, including the reversal of accrued impairment provision	94,839.00	
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)	13,451,971.00	
Other non-operating income and expenses	-936,620.00	
Less: Income tax effect	2,959,915.00	
Total	9,650,275.00	--

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

Available    Not available

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 the shareholders and top 10 shareholders at the end of the report period

- 1) The total number of common shareholders and top 10 common shareholders at the end of the report period

Unit: share

Total number of common shareholders at the end of the report period	44881, including A shareholder 30,096 and B shareholder 14,785					
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 CO. LTD.	Domestic non-state-owned legal person	50.40%	345,473,856	0		0
GAOLING FUND,L.P.	Foreign shareholder	3.53%	24,176,997	0		0
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign shareholder	2.35%	16,106,326	0		0
GIC PRIVATE LIMITED	Foreign shareholder	1.69%	11,591,884	0		0
BOCOM SCHROEDER GROWTH STOCK SECURITIES INVESTMENT FUND	Domestic non-state-owned legal person	1.17%	8,009,270	0		
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	Foreign shareholder	0.62%	4,280,146	0		0
NORGES BANK	Foreign shareholder	0.61%	4,171,564	0		0
FIDELITY FUNDS	Foreign shareholder	0.58%	3,997,933	0		0
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign shareholder	0.57%	3,903,287	0		0
FIDELITY CHINA SPECIAL SITUATIONS PLC	Foreign shareholder	0.55%	3,779,202	0		0
The top 10 common shareholders with unrestricted shares						
Name of Shareholders	Number of unrestricted common shares held	Type of share				
		Type of share	Amount			
YANTAI CHANGYU GROUP CO. LTD.	345,473,856	A share	345,473,856			
GAOLING FUND,L.P.	24,176,997	B share	24,176,997			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	16,106,326	B share	16,106,326			
GIC PRIVATE LIMITED	11,591,884	B share	11,591,884			
BOCOM SCHROEDER GROWTH STOCK SECURITIES INVESTMENT FUND	8,009,270	A share	8,009,270			

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	4,280,146	B share	4,280,146
NORGES BANK	4,171,564	B share	4,171,564
FIDELITY FUNDS	3,997,933	B share	3,997,933
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,903,287	B share	3,903,287
FIDELITY CHINA SPECIAL SITUATIONS PLC	3,779,202	B share	3,779,202
The explanation for the associated relationship and accordant action	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 top10 common shareholders with unrestricted shares who involved in financing activities and stock trading business(if any)	The top 10 Shareholders is not involved in financing activities and stock trading business.		

Whether or not the Company's top10 common shareholders and top 10 common shareholders with unrestricted shares promise to buy back trading during the report period

Yes  No

There is no agreed to buy back trading by Company shareholders during the report period.

2) The total number of 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 Main Accountant Data and Financial Index

available    not available

Compared the end of the report period with the beginning of the year, notes receivable of the Company increases by 179.30%, mainly due to the growth on bank acceptances, prepayment decreases by 46.43% , mainly due to the reduction of prepaid material purchase amount, interest receivable declines by 69.90%, mainly due to decrease of receivable interest on bank fixed deposit, construction in process increases by 33.80%, mainly due to the increase of the accumulative total investment in Company's project under construction, accounts payable increases by 31.55%,mainly due to increase of payable suppliers' payment for goods, deposit received increases by 63.57%, mainly due to the growth of advances on sales.

From January to September 2014, the Company received other cash related to operating activities which decreased by 67.40% compared with the same period of last year, mainly due to receiving the decline of bank deposit and agencies' cash deposit, cash paid for goods and services decreased by 30.18% compared with the same period of last year, mainly due to decline payment for purchasing raw material, net amount of cash flow from operating activities increased by 66.89%, mainly due to the effective control of cost and expenses, the decline on cash outflows of operating activities.

From July to September 2014, the company strongly promoted the products' distribution, enforce the control of cost and expenses, so that operating revenue increased by 10.06% compared by the same periods of last year, sales expenses decreased by 5.98%, net profit attributed to parent company's shareholders increased by 25.55% compared with the same periods of last year.

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

Available    Not available

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

available    not available

Commitments	Commitment Party	Commitment content	Commitment time	Commitment period	Implementation
Commitments at share reform	-	—	2006.03.11	3 years	has been fulfilled
Commitments made in acquisition report or equity changes report	-	-		-	-

Commitments at asset restructuring	-	-		-	-
Commitments at the initial public offering or refinancing	Yantai Changyu Group Co., Ltd	According to "Trademark 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	Forever	In-process performed
	Yantai Changyu Group Co., Ltd	Non Intra-industry competition	1997.05.18	Forever	Has been performed
Commitments made to the minority shareholders of the Company	-	-		-	-
Commitment under timely implementation or not	Yes				
Specific reasons of not completing the implementation and the next step	No				

#### 4. Forecast on the operating performance in the year of 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.

Available  Not available

#### 5. The situation of security investment

Available  Not available

There is no security investment during the report period.

Explanation for the situation of holding other listed company's shareholding.

#### 6. The situation of derivatives investment

Available  Not available

There is no security investment during the report period.



**7. The activities registration form of receptions, communication and interview etc. during the report period** Available  Not available

Reception time	Reception place	Reception way	Type of reception object	Reception object	Main discussed contents and the information provided
2014.09.19	Meeting room of the Company	Field survey	Institution	Wang Jiandong from Sunshine insurance group Sunshine asset management co., Ltd., Jia Tingting from Danshuiquan (Beijing) investment management Co., Ltd.	current business operation situation and other issues

**8. Effect of new issued or revised accounting standard on the consolidated balance sheet of the Company** Available  Not available

## IV Financial Statements

### 1. Financial statements

#### 1) Consolidated balance sheet

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 30 September 2014	At 31 December 2013
Current assets:		
Monetary fund	1,525,736,599	1,367,818,182
Financial assets for trade		
Notes receivable	222,610,122	79,702,753
Account receivable	164,732,525	177,109,516
Advance money	24,639,360	45,997,863
Interest receivable	2,533,951	8,417,995
Dividend receivable		
Other account receivable	90,754,644	99,331,794
Inventories	1,878,198,797	2,121,117,437
Non-current assets due within one year		
Other current assets		
Total current assets	3,909,205,998	3,899,495,540
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	0	0
Real estate for investment		
Fixed assets	2,016,805,419	1,917,641,344
Construction in progress	1,904,843,262	1,423,654,530
Project material	0	676,539
Liquidation of fixed assets		
Biological assets for production	131,991,324	101,794,515
Oil and gas assets		
Intangible assets	298,931,410	296,129,754
Development expenditure		
Goodwill	13,112,525	13,112,525
Long-term deferred expenses	182,839,206	165,521,803
Assets of deferred income tax	195,037,397	158,533,090
Other non-current assets	24,220,559	24,972,804
Total non-current assets	4,767,781,102	4,102,036,904

Total assets	8,676,987,100	8,001,532,444
Current liabilities:		
Short-term loan	200,000,000	243,170,674
Financial liabilities for trade		
Notes payable	700,000	5,765,694
Accounts payable	339,544,874	258,116,331
Advance money	308,578,029	188,651,254
Wage payable	125,706,784	134,322,137
Tax payable	49,140,240	194,413,430
Interest payable	1,754,972	2,152,059
Dividend payable		
Other accounts payable	605,482,044	497,301,630
Non-current liabilities due within one year	0	0
Other current liabilities	12,360,801	12,915,801
Total current liabilities	1,643,267,744	1,536,809,010
Non-current liabilities:		
Long-term loan	121,993,680	
Bond payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Liabilities of deferred income tax	5,336,115	5,336,115
Other non-current liabilities	80,524,984	88,366,835
Total non-current liabilities	207,854,779	93,702,950
Total liabilities	1,851,122,523	1,630,511,960
Shareholder rights and interests:		
Capital stock	685,464,000	685,464,000
Capital reserve	563,140,940	563,139,042
Less: treasury stock		
Surplus reserve	342,732,000	342,732,000
Undistributed profit	5,073,224,113	4,616,944,663
Other comprehensive income	-1,437,255	
Total shareholder rights and interests of parent company	6,663,123,798	6,208,279,705
Minority shareholder rights and interests	162,740,779	162,740,779
Total shareholder rights and interests	6,825,864,577	6,371,020,484
Liabilities and total shareholders rights and interests	8,676,987,100	8,001,532,444

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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	At 30 September 2014	At 31 December 2013
Current assets:		
Monetary fund	610,328,395	602,444,243
Financial assets for trade		
Notes receivable	109,427,193	32,594,381
Account receivable	17,817	1,600,968
Advance money	2,179,699	24,824,672
Interest receivable	2,533,951	8,417,995
Dividend receivable	0	752,595,884
Other account receivable	3,840,424,304	3,709,583,949
Inventories	694,354,624	781,284,189
Non-current assets due within one year		
Other current assets		
Total current assets	5,259,265,983	5,913,346,281
Non-current assets:		
Financial assets for sale		
Investment held to expiration		
Long-term account receivable		
Long-term equity investment	1,048,208,923	1,048,208,923
Real estate for investment		
Fixed assets	410,234,874	425,294,116
Construction in progress	650,821	269,802
Project material		
Liquidation of fixed assets		
Biological assets for production	82,165,524	60,851,409
Oil and gas assets		
Intangible assets	77,360,024	79,139,831
Development expenditure		
Goodwill		
Long-term deferred expenses		
Assets of deferred income tax	18,168,101	22,956,747
Other non-current assets	2,161,237	2,616,525
Total non-current assets	1,638,949,504	1,639,337,353
Total assets	6,898,215,487	7,552,683,634

Current liabilities:		
Short-term loan	200,000,000	243,170,674
Financial liabilities for trade		
Notes payable		
Accounts payable	229,765,106	166,453,563
Advance money		
Wage payable	82,804,035	69,032,912
Tax payable	12,059,106	37,578,670
Interest payable	1,754,972	2,152,059
Dividend payable		
Other accounts payable	422,670,233	1,612,596,521
Non-current liabilities due within one year		
Other current liabilities	2,559,227	2,559,227
Total current liabilities	951,612,679	2,133,543,626
Non-current liabilities:		
Long-term loan	121,993,680	
Bond payable		
Long-term accounts payable		
Special accounts payable		
Estimated liabilities		
Liabilities of deferred income tax		
Other non-current liabilities	20,356,042	22,275,462
Total non-current liabilities	142,349,722	22,275,462
Total liabilities	1,093,962,401	2,155,819,088
Shareholder rights and interests:		
Capital stock	685,464,000	685,464,000
Capital reserve	557,224,352	557,222,454
Less: treasury stock		
Surplus reserve	342,732,000	342,732,000
Undistributed profit	4,218,832,734	3,811,446,092
Currency translation reserve		
Total shareholder rights and interests	5,804,253,086	5,396,864,546
Minority shareholder rights and interests		
Total shareholder rights and interests	5,804,253,086	5,396,864,546
Liabilities and total shareholders rights and interests	6,898,215,487	7,552,683,634

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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 Sep 2014	Nine months ended 30 Sep 2013
1. Total business income	890,560,257	809,128,064
Including : Business income	890,560,257	809,128,064
2. Total business cost	680,635,306	642,214,194
Including: Business cost	296,035,468	265,940,847
Business tax and associate charges	71,547,225	49,909,259
Sales expenses	268,432,892	285,508,961
Management expenses	45,069,753	43,843,045
Financial expenses	-450,032	-2,987,918
Assets depreciation loss		
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 "-")	209,924,951	166,913,870
Add: Non-operating income	4,663,088	3,822,737
Less: non-operating expenditures	1,292,178	34,077
Including: non-current assets disposing loss		
4. Total profit (loss is listed with "-")	213,295,861	170,702,530
Less: income tax expenses	52,325,722	42,490,826
5. Net profit (net loss is listed with "-")	160,970,139	128,211,704
Net profit of parent company's owners	160,970,139	128,211,704
Minority shareholder profit and loss		
6. EPS	--	--
Basic EPS	0.23	0.19
Diluted EPS	0.23	0.19
7. Other Comprehensive income	-1,167,652	
Including: other comprehensive income that will be classified into the profits and losses with meeting the prescribed conditions in the future accounting period.	-1,167,652	
8. Total comprehensive income	159,802,487	128,211,704
Total comprehensive income of parent company	159,802,487	128,211,704
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 during the report period**

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 Sep 2014	Nine months ended 30 Sep 2013
1. Business income	416,385,311	284,834,446
Less: Business cost	334,343,258	234,730,834
Business tax and associate charges	45,932,704	25,459,913
Sales expenses		
Management expenses	25,710,512	28,839,226
Financial expenses	-2,436,611	-5,164,576
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	666,018,499	141,356,045
Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	678,853,947	142,325,094
Add: non-operating income	1,599,689	698,629
Less: non-operating expenditures	619,379	200
Including: non-current assets disposing loss		
3. Total profit (loss is listed with "-")	679,834,257	143,023,523
Less: income tax expenses	3,453,940	348,556
4. Net profit (net loss is listed with "-")	676,380,317	142,674,967
5. EPS	--	--
Basic EPS	0.99	0.21
Diluted EPS		
6. Other Comprehensive income		
7. Total comprehensive income	676,380,317	142,674,967

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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 September 2014	Nine months ended 30 September 2013
1. Total business income	3,192,550,505	3,348,506,298
Including : Business income	3,192,550,505	3,348,506,298
2. Total business cost	2,143,581,647	2,201,078,766
Including: Business cost	1,050,337,854	1,025,632,936
Business tax and associate charges	203,984,038	173,511,236
Sales expenses	754,913,922	869,789,591
Management expenses	149,050,250	148,739,974

Financial expenses	-14,704,417	-16,594,971
Assets depreciation loss		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		
3. Operating profit (loss is listed with "-")	1,048,968,858	1,147,427,532
Add: Non-operating income	14,107,884	9,498,231
Less: non-operating expenditures	1,497,694	1,173,496
Including: non-current assets disposing loss		
4. Total profit (loss is listed with "-")	1,061,579,048	1,155,752,267
Less: income tax expenses	262,567,598	286,966,342
5. Net profit (net loss is listed with "-")	799,011,450	868,785,925
Net profit of parent company's owners	799,011,450	868,785,925
Minority shareholder profit and loss		
6. EPS	--	--
Basic EPS	1.17	1.27
Diluted EPS	1.17	1.27
7. Other Comprehensive income	-1,437,255	
Including: Including: other comprehensive income that will be classified into the profits and losses with meeting the prescribed conditions in the future accounting period.	-1,437,255	
8. Total comprehensive income	797,574,195	868,785,925
Total comprehensive income of parent company	797,574,195	868,785,925
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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 September 2014	Nine months ended 30 September 2013
1. Business income	1,106,282,590	999,917,582
Less: Business cost	900,088,247	819,840,102
Business tax and associate charges	121,671,047	86,892,698
Sales expenses		
Management expenses	75,668,879	88,086,362
Financial expenses	-12,845,994	-18,358,158
Assets depreciation loss		
Add: fair value charge profit (loss is listed with "-")		
Investment profit (loss is listed with "-")	731,492,782	152,496,487



Including: investment profit for joint-run business and joint venture		
2. Operating profit (loss is listed with "-")	753,193,193	175,953,065
Add: non-operating income	3,753,448	1,803,022
Less: non-operating expenditures	619,379	86,389
Including: non-current assets disposing loss		
3. Total profit (loss is listed with "-")	756,327,262	177,669,698
Less: income tax expenses	6,208,620	6,090,552
4. Net profit (net loss is listed with "-")	750,118,642	171,579,146
5. EPS	--	--
Basic EPS	1.09	0.25
Diluted EPS		
6. Other Comprehensive income		
7. Total comprehensive income	750,118,642	171,579,146

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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 September 2014	Nine months ended 30 September 2013
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	3,488,176,932	3,517,257,411
Tax refund received	2,300,000	25,335,492
Other cash received related to operating activities	19,977,917	61,284,645
Subtotal of cash flows of operating activities	3,510,454,849	3,603,877,548
Cash paid for goods and services	610,813,461	874,873,154
Cash paid to and on behalf of employees	259,145,333	284,568,860
Cash paid for taxes and expenses	1,056,511,881	1,164,415,256
Other cash paid related to operating activities	487,190,069	622,821,935
Sub-total of cash outflows of operating activities	2,413,660,744	2,946,679,205
Net cash flow from operating activities	1,096,794,105	657,198,343
2. Cash flow from investing activities:		
Cash received from return of investment		
Fixed deposit with the term of over 3 months	275,392,728	825,524,719
Cash received from obtaining investment profit	8,360,995	14,353,847
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	100	4,000
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	283,753,823	839,882,566
Cash paid to acquire fixed assets, intangible assets and	676,609,445	612,825,121

other long-term assets		
Cash paid to buy fixed deposit with the term of over 3 months	77,247,483	1,018,392,728
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	753,856,928	1,631,217,849
Net cash flow from investing activities	-470,103,105	-791,335,283
3. Cash flow from financing activities		
Cash received from acquiring investment		16,359,770
Including: cash received from acquiring minority shareholders investment by subsidiary		16,359,770
Cash received from acquiring loans	321,993,680	243,170,674
Other cash received related to financing activities	129,182,292	
Subtotal cash flows of financing activities	451,175,972	259,530,444
Cash paid to pay debts	242,219,439	
Cash paid to distribute dividend, profit or pay interest	348,206,212	754,010,400
Including: dividend and profit paid to minority shareholders by subsidiary		
Other cash paid related to financing activities	125,000,000	
Subtotal of cash outflows of financing activities	715,425,651	754,010,400
Net cash flow from financing activities	-264,249,679	-494,479,956
4. Influences of exchange rate fluctuation on cash and cash equivalents	-955,861	
5. Net Increase in cash and cash equivalents	361,485,460	-628,616,896
Add: balance at the beginning of the period of cash and cash equivalents	956,558,932	1,562,294,026
6. Balance at the end of the period of cash and cash equivalents	1,318,044,392	933,677,130

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

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

Yantai Changyu Pioneer Wine Co. Ltd.

Unit: CNY

Item	Nine months ended 30 September 2014	Nine months ended 30 September 2013
1. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	824,436,981	890,924,099
Tax refund received		8,688,878
Other cash received related to operating activities	8,435,432	24,398,649
Subtotal of cash flows of operating activities	832,872,413	924,011,626
Cash paid for goods and services	351,039,198	564,718,954
Cash paid to and on behalf of employees	88,087,059	87,522,822
Cash paid for taxes and expenses	204,621,077	166,330,184
Other cash paid related to operating activities	1,375,496,249	215,322,702

Sub-total of cash outflows of operating activities	2,019,243,583	1,033,894,662
Net cash flow from operating activities	-1,186,371,170	-109,883,036
2. Cash flow from investing activities:		
Cash received from return of investment		
Withdraw of fixed deposit with the term of over 3 months	275,392,728	825,524,719
Cash received from obtaining investment profit	1,492,449,661	765,931,480
Cash received from interest income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	121,997	4,000
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	1,767,964,386	1,591,460,199
Cash paid to acquire fixed assets, intangible assets and other long-term assets	33,910,855	63,872,462
Cash paid for buying fixed deposit with the term of over 3 months	51,547,483	1,006,392,728
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	85,458,338	1,073,965,190
Net cash flow from investing activities	1,682,506,048	517,495,009
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	321,993,680	243,170,674
Other cash received related to financing activities	129,182,292	
Subtotal cash flows of financing activities	451,175,972	243,170,674
Cash paid to pay debts	242,219,439	
Cash paid to distribute dividend, profit or pay interest	348,206,212	754,010,400
Including: dividend and profit paid to minority shareholders by branch		
Other cash paid related to financing activities	125,000,000	
Subtotal of cash outflows of financing activities	715,425,651	754,010,400
Net cash flow from financing activities	-264,249,679	-510,839,726
4. Influences of exchange rate fluctuation on cash and cash equivalents		
5. Net Increase in cash and cash equivalents	231,885,199	-103,227,753
Add: balance at the beginning of the period of cash and cash equivalents	197,150,989	425,084,049
6. Balance at the end of the period of cash and cash equivalents	429,036,188	321,856,296

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

## 2. Audit report

Whether the 3<sup>rd</sup> quarter report has been audited.

Yes     No

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

**Yantai Changyu Pioneer Wine Co. Ltd.**  
**Board of Directors**  
**24<sup>th</sup> October 2014**